Page Count off

13-00000

☐ UNCLASSIFIED ☐ INTERNAL USE ONLY ☐ CONFIDENTIAL ☐ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional) The CIA and the Cult of Intelligence by Victor Marchetti and John D. Marks

FROM:	EXTENSION	NO.
Norbert A. Shepanek O/SA/DO/O 2D0109	1542	DATE 8 April 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. Philip F. Fendig SA/DO/O	8 April			
2.				
3. Mr. William Wells DDO 7E26 Hqs.	8 APR 1977	4/8		FYI only
4. SA/DO/O				
5. (Shepanek)				
6.				MARCHETTI
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

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DD/O 77-3194

8 April 1977

MEMORANDUM FOR: All Divisions and Certain Staffs

FROM : Philip F. Fendig
SA/DO/O

SUBJECT : The CIA and the Cult of Intelligence by Victor Marchetti and John D. Marks

1. Subject book was published in 1974 with 168 deleted items demanded by CIA and involved court trial and decision. The lawyer for the authors has, in effect, requested that a review be made of the 168 deleted items to determine which can now be declassified and removed from the court's injunction, particularly in view of the official disclosures since the publication of the book. The Department of Justice has advised that such a review is in order.

2. Since the courts decided the 168 deleted items were properly classifiable and classified in accordance with the appropriate Executive Order in effect at the time of the initial classification, including Executive Order 11652, the review at this time must include two points:

(a) Is the item still classified under Executive Order 11652,

(b) Has the item been placed in the public domain by official disclosure by the United States, such as by an official in the Executive Branch authorized to declassify the item, or by a report of a Congressional committee, or by the courts.

3. Each addressee is requested to appoint a focal point officer to review each component's respective items which are held by this office. This office also has the DDO documentation submitted in support of deleting each item in 1973. These can be reviewed by each focal point official as necessary.

A review will also be needed of those items which may have been cleared or released by CIA when reviewing manuscripts submitted by other authors since the publication of the Marchetti book. A few items will need to be referred by some of the components to other departments and agencies of government for their review.

4. Please advise this office of the name of your focal point officer by COB 11 April 1977.

Philip F. Fendig

O/SA/DO/O:SHalpern:(NAShepanekx1542)

Distribution
Orig & 1 - DDO
1 - C/EA
1 - C/EUR
1 - C/LA
1 - C/FR
1 - C/NE
1 - C/AF
1 - C/SE
1 - C/DCD
1 - C/SIA info only
1 - C/PCS " "
1 - C/CI " "
2 - SA/DO/O

For Sammy:

Testimony of Kerry & Meyer before the Multi National Subcommittee in 1973 - Joan

Dick Elliot re Commo to POW's

1972 - today - Radio -

13-00000

open Testimony by Intel. before {CIA, N.S.A, State, DoD, FBI} dealing with cong committees

ex: Allan re Commo sites around World.

open testimony b4 cong. dealing with AID cut off during Cyprus ~~situation~~

any Testimony re Am POWs in N. Vietnam. CIA secret method of commo. any index?
MIA

Any indexing Pike or other

Jordan Donahue x6136 has Review Staff
Cathy Miller x7676
6/2!

RSM

TSD open Testimony
Specifics of Commo
pre-
~~[illegible]~~ + Meyer
DOD controls
1 OLC amb testimony before
Multi Nat Subcommittee
1973
Dick Elliot

13-00000

SUBJECT: Review of Deletions from Marchetti Book for Declassification - Request for Documents.

1. In order to review the deletions from the Marchetti book, The Cult of Intelligence, Mr. Halpern must determine if any official of the U.S. Government placed any of the classified material in the public domain in open testimony before a Congressional Committee. The following material or information is required:

a. Is there any index to public statements by senior government officials on the subject of intelligence? Is there any index to the Pike Committee or Church Committee testimony ?

b. Mr. Halpern would like to have copies of the open testimony before a Congressional committee by senior officials of the
CIA,
NSA,
State Dept,
Dept of Defense,
FBI,
which deals with intelligence.

c. Any open testimony before Congressional committees by senior U.S. officials dealing with the cutoff of AID during the Cyprus disturbances.

d. Any testimony (open) concerning American POWs (MIA) in Vietnam and CIA's method of communication with them.

/Article

Hussein on His CIA Money

Following the disclosure that Jordan's King Hussein had for years taken secret payments from the CIA, NEWSWEEK'S Arnaud de Borchgrave flew to Amman last week for an exclusive interview with the King. The result was what Hussein called "my first and very last words" on The Washington Post's revelation of the payments and their possible impact on chances for peace in the Middle East. Some excerpts:

DE BORCHGRAVE: ***How much truth is there in the story that appeared in The Washington Post?***

HUSSEIN: The whole thing is ridiculous and insulting. But I am prepared to answer questions about it.

Q. Your government spokesman said the story was a combination of "fabrication and distortion." What has been fabricated and what has been distorted?

A. What was fabricated in the story was everything about funds handed over personally for private benefit. When friendly Arab countries extend aid, it has been traditional for the checks to be made out to the Head of State, which then are deposited in the state budget account. This is not an uncommon practice. All assistance received by us is handled in the same way. What is true is that for a number of years, we have been offered security and intelligence assistance, which the government of Jordan accepted gratefully.

As for the story that the CIA paid for the protection of my children at school in America, my request was made to the State Department which kindly agreed to ensure their security. Remember that there have been many extremist plots against me and my family and this was a perfectly normal request. If Amy Carter decided to come to school in Jordan, we would, needless to say, be responsible for her security and would not be sending a bill to the U.S. Government for an elementary courtesy and security measure.

Q. How do you feel about President Carter ordering the arrangement—code-named "No Beef"—stopped?

A. We had, I promise you, never heard anything about all this before. If the reference is to the assistance we have been receiving for security and intelligence, then I have not been advised about its suspension, either officially or unofficially.

Q. The Intelligence Oversight Board set up in February 1976 reported to President Ford a few months later that they regarded the payments as improper and he did nothing about it. What do you feel was improper about those payments?

A. What is a proper way to support a friend and ally is strictly your business. The subject never came up before and I was totally unaware that this assistance to Jordan had come into question last year. What is proper in some minds is apparently improper in others. As far as I am concerned, anything I can get for Jordan and my people is proper. And five of your Presidents [Eisenhower, Kennedy, Johnson, Nixon, Ford] thought so, too.

Q. Since you say the assistance was proper and just another form of U.S. aid, why, then, the secrecy and method of payment?

A. If you mean the report that payments were made directly to the King and for his [personal] benefit and with political conditions and obligations, this is a complete fabrication. The assistance was designed only to enhance our intelligence and security capabilities period.

To us, the CIA is a part of the U.S. Government. We have sought to acquire know-how, equipment and new capabilities to defend ourselves in the face of a worldwide battle, be it hot or cold, which is still with us. And wherever there is an identity of interests between our two countries, I will continue to advocate fruitful and mutual cooperation.

Q. What do you feel was the principal motivation of those [sources] who contributed to the Washington Post story?

A. To undermine the credibility and integrity of those who are able and willing to contribute to the forces of peace. My people know me and I know them and these attacks are futile in terms of the Jordanian scene. We are stronger than anything that can be leveled against us. It was hardly coincidental that these attacks were made as the peace offensive was picking up steam and on the very day that Secretary Vance arrived in Amman. It is obvious to me that those who wish to sabotage the peace process—and help Israel stay put in the occupied territories—are even willing to engage in character assassination of persons whose dearest wish is for a just and durable peace.

Q. Who benefits?

A. Two quarters: One, in your own country, that has been trying to undermine one of your key institutions engaged in a worldwide struggle to try to neutralize the actions of the KGB in its efforts to promote Communism. The other is a powerful group that is not interested in a settlement and which also feels it has a score to settle with Jordan. Don't forget it was the Israeli lobby that launched the campaign to block the Hawk anti-aircraft missile defense system to Jordan. Fortunately, the lobby failed.



Alexandra de Borchgrave—Gamma-Liaison

Choice of targets: Jordan's King Hussein taking aim on the shooting range

Q. How much of a setback do you feel the story has been to the peace-with-Israel campaign?

A. I fervently hope, of course, that it will not be a setback. Admittedly, it may have a deleterious effect on our peace efforts, but I plan to persevere regardless of attempts to sabotage a just and durable peace.

Q. What, for example, do you feel the story will do to your differences with the PLO and attempts to form a joint delegation for the Geneva talks? Is a joint delegation still a realistic possibility?

A. A PLO delegation is in Amman this week and the whole question of a joint delegation is still very much in question. The d
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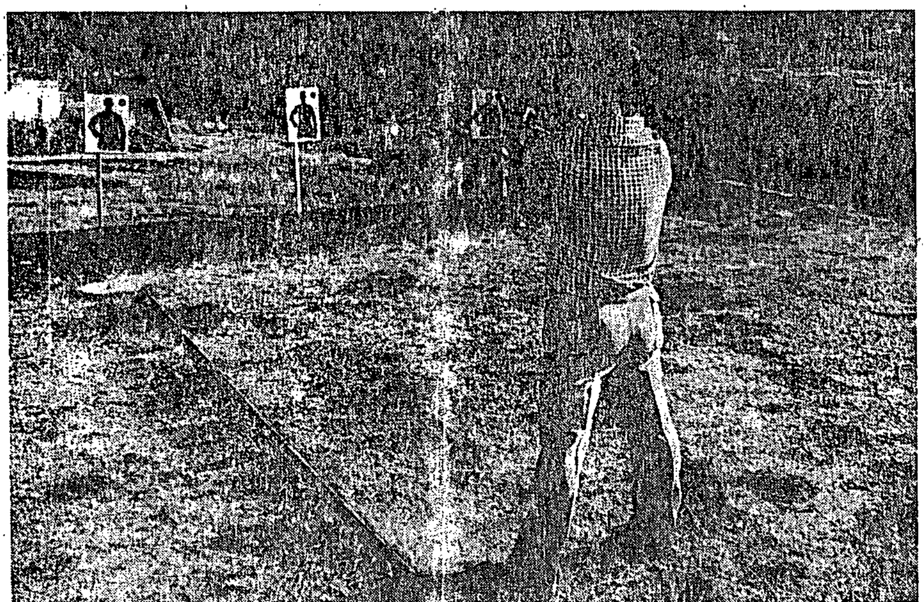
Newsweek, March 7, 1977

His CIA Money

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A. Two quarters. One, in your own country, that has been trying to undermine one of your key institutions engaged in a worldwide struggle to try to neutralize the actions of the KGB in its efforts to promote Communism. The other is a powerful group that is not interested in a settlement and which also feels it has a score to settle with Jordan. Don't forget it was the Israeli lobby that launched the campaign to block the Hawk anti-aircraft missile defense system to Jordan. Fortunately, the lobby failed.

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Q. *What, for example, do you feel the story will do to your differences with the PLO and attempts to form a joint delegation for the Geneva talks? Is a joint delegation still a realistic possibility?*

A. A PLO delegation is in Amman this week and the whole question of a joint delegation is still very much in question. The dialogue [interrupted by the Jordanian civil war in 1970, when the PLO was driven out of Amman] has barely begun. To what degree political action can be coordinated among us is something we will be exploring over the next few months. And the whole Arab position on this problem is yet to crystallize.

Q. *Is it your impression that the PLO is now ready to amend its basic charter and agree to coexist peacefully with Israel in a West Bank-Gaza state?*

A. This is the decision they must face. But it is equally important to know what the Israeli position will be. Why should the PLO take such a step unilaterally? There must be a degree of simultaneity—Israel recognizes a West Bank-Gaza Palestinian state and the Palestinians recognize Israel.

Q. *Is it your intention to negotiate with the PLO prior to Geneva a new organic link between a possible Palestinian state on the West Bank and Jordan proper?*

A. This has been suggested by many leaders in the area as a possible constructive development and we certainly plan to explore the possibilities. But I must caution you against overoptimism. The resumption of the Geneva conference by itself means nothing and if it doesn't produce quick results .. then there will be the danger of a letdown, of the pendulum swinging back and the extremists coming to the fore again.

Q. *How do you think the latest CIA story will affect relations between Jordan and the United States?*

A. Throughout all these years I have been very proud of the growing strength of the relationship with our American friends. We identified with principles your forefathers held dear. We built our relations on the basis of mutual respect, confidence and faith, and beyond that anything I did to cement relations with the U.S. was based on a deep conviction about our common objectives—stability, peace and progress in the Middle East.

My duty is to develop my country, its human resources, armed forces and security and intelligence services, to face the tremendous threats that lie ahead. The road is strewn with mines to sabotage the peace process. One has just exploded in Washington. There will be others. But bear in mind that Jordan is not unique in receiving such help. Israel falls into the same category and is a far greater example of all kinds of assistance. As far as I am concerned, these will be my first and very last words on that matter. My personal pride is a very touchy subject. And my main concern is to preserve Jordan in freedom.

Finally, regarding your media attacks against a branch of your government, if you choose to denude a vital arm that is there to protect you, that is your affair, not Jordan's.

SECRET

21 April 1977

MEMORANDUM FOR: Executive Officer to the DDA

FROM : M. L. Latta
Deputy Chief, Plans and Review Group
Central Cover Staff

SUBJECT : Fairways Corporation

1. Per our telephone conversation today, attorneys for Victor Marchetti have requested release of the 168 items previously deleted by court order from the book, The CIA and the Cult of Intelligence. Fairways Corporation was referred to CCS by the SA/DO/O for review in this connection.

2. Fairways Corporation is the subject of four items (107, 128, 129, 279, on pages 123, 132, 133, and 403 respectively,) in the original manuscript. The position of CCS on all four items is that they are still classified, since they describe intelligence sources and methods by identifying an operational support facility located in the U.S., and are therefore exempt from declassification under Section 5(B)(2) of the General Declassification Schedule contained in Executive Order 11652.

3. According to CCS files, in April 1975 Director Colby was asked by an NBC reporter about CIA sponsorship of Fairways in connection with a planned TV documentary on Agency proprietaries. CCS files are unclear on the point, but there are indications that Director Colby may have responded to the question in a manner which could have been construed as admission of CIA sponsorship of Fairways. In any case, CCS files contain other evidence that the matter was considered to be still classified as recently as December 1976, when Director Bush wrote to the Administrator of the Federal Aviation Administration regarding CIA sponsorship of Fairways and asked that the subject be withheld from public disclosure.

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CL BY 026089

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

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4. Per our conversation, CCS has stated in its response to the SA/DO/O that DDA would comment further on the extent to which CIA sponsorship of Fairways may have been placed in the public domain since the court order (i.e., since February 1975).

5. Please direct your comments to SA/DO/O. For your information, Mr. Halpern, Room 6 D 0120, red line x9588, is preparing an overall response on the subject for the SA/DO/O.

M. L. Latta

13-00000

(1) Shep reported that Tom Peck could not do a review by country name — list reduced to 28 items

(2) Shep said Peck review of the 28 item revealed only one hit and that was re Penkovsky Papers but no information was released.

SW
21 April 77

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SENDER WILL CHECK CLASSIFICATION TOP AND BOTTOM

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OFFICIAL ROUTING SLIP

TO	NAME AND ADDRESS	DATE	INITIALS
1	Tom Peck, FIOA		
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X	ACTION		DIRECT REPLY		PREPARE REPLY
	APPROVAL		DISPATCH		RECOMMENDATION
	COMMENT		FILE		RETURN
	CONCURRENCE		INFORMATION		SIGNATURE

Remarks: Request any FIOA releases on any of the subjects on attached sheets.

This is in connection with crash declassification review of deletions from Marchetti book, The Cult of Intelligence.

Info required SOONEST.

(Consult with Shep or Sam Halpern, 9588, on any questions or lists.)

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FROM: NAME, ADDRESS AND PHONE NO.	DATE
N.A. SHEPANEK x1542	21apr77

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FORM NO. 237 1-67 Use previous editions ☆USGPO: 1976 — 202-953 (40)

1. RTV
2. SHAH (IRAN)
3. HUSSEIN
4 INDIA
5 INDIAN INTELLIGENCE SERVICE
6 NANDA DEVI
7 DALAI LAMA
8 CHIANG CHING-KUO
9 TAIWAN
10 CHIANG KAI-SHEK
11 SORBONNE
12 TIBET
13 TIBETANS
14 CAMP HALE, COLORADO
15 CAMBODIA
16 CAMBODIAN INTELLIGENCE SERVICE
17 SIHANOUK
18 VIETNAMESE ~~[illegible]~~ CONFEDERATION OF LABOR
19 TRAN NGOC BUU
20 THIEU
21 PENKOVSKY PAPERS
22 OLEG PENKOVSKY
23 GEORGY POKROVSKY
24 DAVID MURPHY
25 NTS (NATIONAL ALLIANCE OF SOLIDARISTS)

13-00000

26 ISRAEL INTELLIGENCE SERVICE
27 ISRAEL
28 AFRICAN FORUM
29 AFRICA REPORT
30 KENYATTA
31 MOBUTU
32 RHODESIA
33 RHODESIAN INTELLIGENCE SERVICE
34 SOUTH AFRICA
35 SOUTH AFRICAN INTELLIGENCE SERVICE
36 WILLY BRANDT
37 CHRISTIAN DEMOCRATS, GERMANY
38 SOCIAL DEMOCRATS, GERMANY
39 SOCIALISTS, GERMANY
40 LA FRANCE ~~OUR~~ OUVRIERE
41 CHRISTIAN DEMOCRATS, ITALY
42 MAKARIOS
43 CYPRUS
44 GREECE
45 GREEK INTELLIGENCE SERVICE
46 NORWAY
47 NORWEGIAN INTELLIGENCE SERVICE
48 FRANCE
49 FRENCH INTELLIGENCE SERVICE
50 WEST GERMANY (FEDERAL REPUBLIC OF GERMA

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51 WEST GERMAN INTELLIGENCE SERVICE
52 JAPAN
53 JAPANESE INTELLIGENCE SERVICE
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57 BRITISH INTELLIGENCE ~~SER~~ SERVICE
58 CANADA
59 CANADIAN INTELLIGENCE SERVICE
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65 ATHENS
66 MUNICH
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69 LONDON
70 PARIS
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79 PANAMA
80 PANAMANIAN INTELLIGENCE SERVICE
81 FORBES BURNHAM
82 MEXICO
83 MEXICAN INTELLIGENCE SERVICE

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
Acting Chief, Latin America Division		DATE 21 April 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DO/O				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

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SECRET

22 APR 1977

MEMORANDUM FOR: SA/DO/O

FROM : George V. Lauder
Acting Chief, Latin America Division

SUBJECT : The CIA and the Cult of Intelligence
by Victor Marchetti and John D. Marks

REFERENCE : SA/DDO/O Memorandum dated 8 April 1977

The following are the LA Division comments on the review of the 168 court ordered deletions of subject book.

Item 1, page 11, Chile
Classified. Dept. of State/INR

Item 3a, page 11, Chile
Declassified. Page 168, Senate Select Committee Hearings, Volume 7, Covert Action

Item 3b, page 11, Chile
Declassified. Pages 105, 190 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 4, page 12, Chile
Declassified. Page 168, Senate Select Committee Hearings, Volume 7, Covert Action

Item 5, page 12, Chile
Declassified. Pages 105, 190 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 11, page 15, Chile
Declassified. Pages 170, 172 Senate Select Committee Hearings, Volume 7, Covert Action and Page 231 Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders

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Item 29, page 49, Guyana
Classified. Executive Order exemption 5 (B) 3

Item 46, page 70, lines 20--24, Chile
Declassified. Pages 148, 165, 166, 171 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 89, page 106, Cuba p. 139 ff.
Declassified. ~~Footnote 1, page 177,~~ Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders (?)

Item 201, page 222, Brazil
Classified. Executive Order exemption 5 (B) 2

Item 261, page 338, Panama
Classified. Director of Intelligence Operations, ACSI

Item 292, page 420, Chile
Declassified. Page 205 Senate Select Committee Hearings, Volume 7, Covert Action

Item 307, page 4~~68~~35, Cuba p. 139 ff.
Declassified. ~~Footnote 1, page 177,~~ Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders

Item 317, page 468, Chile
Declassified. Pages 168, 189, 205 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 318, pages 469, 470, Chile
Classified. Executive Order exemption 5 (B) (2). There is no record that the intelligence report on which this item was based has been declassified.

Items 322, 323, pages 473, 474, Mexico
Classified. Executive order exemption 5 (B) (2) There has never been official acknowledgement by either the Mexican or U.S. Governments of this case.

Item 338, page 508, Chile
Declassified. Appendix A (Covert Action in Chile 1963--1973), pages 144--209 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 339, page 509, Bolivia, Brazil
Problem area. CIA presence in Brazil and Bolivia has not been officially acknowledged and is classified information. Executive Order exemption 5 (B) (2). However, David Phillip's book, The Night Watch, Chapter 8, is titled Brazil, Venezuela. Page 209 of The Night Watch concerns CIA in Bolivia.

George V. Lauder
George V. Lauder

SECRET

22 APR 1977

MEMORANDUM FOR: SA/DO/O

FROM : George V. Lauder
Acting Chief, Latin America Division

SUBJECT : The CIA and the Cult of Intelligence by Victor Marchetti and John D. Marks

REFERENCE : SA/DDO/O Memorandum dated 8 April 1977

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Declassified. Pages 105, 190 of Senate Seleet Committee Hearings, Volume 7, Covert Action

Item 4, page 12, Chile
Declassified. Page 168, Senate Select Committee Hearings, Volume 7, Covert Action

Item 5, page 12, Chile
Declassified. Pages 105, 190 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 11, page 15, Chile
Declassified. Pages 170, 172 Senate Select Committee Hearings, Volume 7, Covert Action and Page 231 Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders

E2 IMPDET
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SECRET

Item 29, page 49, Guyana
Classified. Executive Order exemption 5 (B) 3

Item 46, page 70, lines 20--24, Chile
Declassified. Pages 148, 165, 166, 171 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 89, page 106, Cuba
Declassified. ~~Footnote 1, page 177,~~ p.139ff Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders

Item 201, page 222, Brazil
Classified. Executive Order exemption 5 (B) 2

Item 261, page 338, Panama
Classified. Director of Intelligence Operations, ACSI

Item 292, page 420, Chile
Declassified. Page 205 Senate Select Committee Hearings, Volume 7, Covert Action

Item 307, page 435, Cuba
Declassified. ~~Footnote 1, page 177,~~ p.139ff Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders

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/s/ George V. Lauder
George V. Lauder

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SUBJECT: (Optional)

FROM:	EXTENSION	NO.
ERICH W. ISENSTEAD C/CCS GH-56 Hqs.	9164 5407	DATE 21 APR 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. C/AF 3 B 21 Hqs. Attn: Ed Foy			✓	
2.				
3. C/EUR 4 B 4405 Hqs. Attn: Wm. Phelps	22	22	[initials]	HAND CARRY CALL
4.				
5. C/LA 3 C 2019 Hqs. Attn: Wm. Sturbitts	22	✓	[initials]	
6.				
7. C/NE 6 D 3107 Hqs. Attn: George Walsh		Apr 22	[initials]	
8.				
9. C/CA 3 D 0004 Hqs. Attn: Susan Watkins			[initials]	
10.				
11. SA/DO/O 2 D 0109 Hqs.				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☑ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

13-00000

SECRET

21 APR 1977

MEMORANDUM FOR: SA/DO/O

FROM : Erich W. Isenstead
Chief, Central Cover Staff

SUBJECT : The CIA and the Cult of Intelligence
By Victor Marchetti and John D. Marks

REFERENCE : Memo for All Div and Certain Staffs,
fr SA/DO/O, dtd 8 Apr 77, Same Subject

1. Pursuant to Reference request, CCS has reviewed its files and effected coordination with interested components on classification of the 26 items given to CCS for review. Results are described below.

2. It has been determined that the following items continue to be classified under E.O. 11652, and are exempt from the E.O. General Declassification Schedule, as indicated by paragraph citations in brackets:

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SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

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ERICH W. ISENSTEAD

cc: C/AF
C/EUR
C/LA
C/NE
C/CA

CONCUR:

for Chief, AF Division	22 April 77 Date
for Chief, EUR Division	22 Apr 77 Date
for Chief, LA Division	22 APR 77 Date
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21 APR 1977

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AND METHODS INVOLVED

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cc: C/AF
C/EUR
C/LA
C/NE
C/CA

CONCUR:

Chief, AF Division	Date
Chief, EUR Division	Date
Chief, LA Division	Date
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Chief, CA Staff	Date

SECRET

13-00000

SECRET

22 APR 1977

MEMORANDUM FOR: SA/DO/O

FROM : George V. Lauder
Acting Chief, Latin America Division

SUBJECT : The CIA and the Cult of Intelligence by Victor Marchetti and John D. Marks

REFERENCE : SA/DDO/O Memorandum dated 8 April 1977

The following are the LA Division comments on the review of the 168 court ordered deletions of subject book.

Item 1, page 11, Chile
Classified. Dept. of State/INR

Item 3a, page 11, Chile
Declassified. Page 168, Senate Select Committee Hearings, Volume 7, Covert Action

Item 3b, page 11, Chile
Declassified. Pages 105, 190 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 4, page 12, Chile
Declassified. Page 168, Senate Select Committee Hearings, Volume 7, Covert Action

Item 5, page 12, Chile
Declassified. Pages 105, 190 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 11, page 15, Chile
Declassified. Pages 170, 172 Senate Select Committee Hearings, Volume 7, Covert Action and Page 231 Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders

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Item 29, page 49, Guyana
Classified. Executive Order exemption 5 (B) 3

Item 46, page 70, lines 20--24, Chile
Declassified. Pages 148, 165, 166, 171 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 89, page 106, Cuba
Declassified. Footnote 1, page 177, Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders

Item 201, page 222, Brazil
Classified. Executive Order exemption 5 (B) 2

Item 261, page 338, Panama
Classified. Director of Intelligence Operations, ACSI

Item 292, page 420, Chile
Declassified. Page 205 Senate Select Committee Hearings, Volume 7, Covert Action

Item 307, page 468, Cuba
Declassified. Footnote 1, page 177, Senate Select Committee Interim Report on Alleged Assassination Plots Involving Foreign Leaders

Item 317, page 468, Chile
Declassified. Pages 168, 189, 205 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 318, pages 469, 470, Chile
Classified. Executive Order exemption 5 (B) (2). There is no record that the intelligence report on which this item was based has been declassified.

Items 322, 323, pages 473, 474, Mexico
Classified. Executive order exemption 5 (B) (2)
There has never been official acknowledgement by either the Mexican or U.S. Governments of this case.

Item 338, page 508, Chile
Declassified. Appendix A (Covert Action in Chile 1963--1973), pages 144--209 of Senate Select Committee Hearings, Volume 7, Covert Action

Item 339, page 509, Bolivia, Brazil
Problem area. CIA presence in Brazil and Bolivia has not been officially acknowledged and is classified information. Executive Order exemption 5 (B) (2). However, David Phillip's book, The Night Watch, Chapter 8, is titled Brazil, Venezuela. Page 209 of The Night Watch concerns CIA in Bolivia.

George V. Lauder

SECRET

21 APR 1977

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cc: C/AF
C/EUR
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CONCUR:

Chief, AF Division	Date
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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

The CIA and the Cult of Intelligence by Marchetti and Marks

FROM:	EXTENSION	NO.
Alyson Ward SIA/I alw	6343 1602	DATE 22 April 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. C/SIA/I	22	apr	W	
2.				
3. C/SIA	22 APR 1977		S	
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5. SA/DDO/O 2D0109 Hqs.				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

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22 April 1977

MEMORANDUM FOR: Special Assistant to DDO for External Oversight

VIA : Chief, Staff for International Activities

FROM : Robert D. Wiecha
Chief, SIA/Israeli Branch

SUBJECT : The CIA and the Cult of Intelligence by Victor Marchetti and John D. Marks

REFERENCE : Memorandum dated 8 April 1977 from Mr. Fendig, same subject

1. This office has reviewed the five items concerning Israel which were deleted from subject book, and has determined that all items are still not releasable for the following reasons:

a. Item 182, page 196: According to Mr. Vernon Weimar, the CIA's liaison contact in the Federal Bureau of Investigation, this item is still classified "SECRET" under Executive Order (E.O.) 11652, Section 5(B)(2)(intelligence sources and methods).

b. Item 197, page 218: This item is still classified "SECRET" under E.O. 11652, Section 5 (B)(1)(foreign liaison) and (2).

c. Item 198, page 219: This item is still classified "TOP SECRET" under E.O. 11652, Section 5 (B)(2).

d. Item 224, page 252: This item is still classified "TOP SECRET" under E.O. 11652, Section 5 (B)(2).

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e. <u>Item 256, page 329</u>: This item is still classified "SECRET" under E.O. 11652, Section 5 (B)(1) and (2).

2. Any questions regarding this memorandum should be directed to Alyson Ward, SIA/I, extension 1602.

RWiecha
Robert D. Wiecha

SECRET

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SECRET

e. <u>Item 256, page 329</u>: This item is still classified "SECRET" under E.O. 11652, Section 5 (B)(1) and (2).

2. Any questions regarding this memorandum should be directed to Alyson Ward, SIA/I, extension 1602.

Robert D. Wiecha

13-00000

☐ UNCLASSIFIED ☐ INTERNAL USE ONLY ☐ CONFIDENTIAL ☐ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)
Addendum to LA Division Memorandum dtd 22 April 1977

FROM:	EXTENSION	NO.
George V. Lauder Acting Chief Latin America Division	1039	DATE

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DO/O				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

SECRET

26 APR 1977

MEMORANDUM FOR: SA/DO/O

FROM : George V. Lauder
Acting Chief, Latin America Division

SUBJECT : Addendum to LA Division Memorandum
Dated 22 April 1977

1. It was Mr. William C. Jones at Department of State, INR/OIL who stated that item 1 page 11, item 34 page 59, and item 337 page 509 are still classified.

2. Item 19 page 14, Chile

According to Mr. David Carpenter, State/INR/OIL lines 14 through line 17 "So at Kissinger's urging" and line 24 beginning "Ambassador Korry" through line 29 continue to be classified. Line 17 beginning "the 40 Committee" through line 24 ending "the covert action programs." has been declassified. The substance can be found on pages 166-170, 190 and 205 of the Senate Select Committee Hearings, Volume 7 Covert Action.

3. Item 10 page 15 Chile

Line 1 through "his nominal superior" and line 2 beginning "Meyer was" through line 4 continue to be classified according to Mr. Carpenter, State/INR/OIL. Lines 5 through 11 are declassified and can be found on pages 167-169 of Senate Select Committee Hearings, Volume 7 Covert Action.

4. Item 261 page 338 was discussed with Mr. Merrill T. Kelly, Director, Intelligence Operations ACSI by Seymour Young, PCS/LSN. Mr. Kelly stated the item is still classified.

George V. Lauder

E-2 IMPDET CL BY 12180

SECRET

SECRET

2 6 APR 1977

MEMORANDUM FOR: SA/DO/O

FROM : George V. Lauder
Acting Chief, Latin America Division

SUBJECT : Addendum to LA Division Memorandum
Dated 22 April 1977

1. It was Mr. William C. Jones at Department of State, INR/OIL who stated that item 1 page 11, item 34 page 59, and item 337 page 509 are still classified.

2. Item 9 page 14, Chile

According to Mr. David Carpenter, State/INR/OIL lines 14 through line 17 "So at Kissinger's urging" and line 24 beginning "Ambassador Korry" through line 29 continue to be classified. Line 17 beginning "the 40 Committee" through line 24 ending "the covert action programs." has been declassified. The substance can be found on pages 166-170, 190 and 205 of the Senate Select Committee Hearings, Volume 7 Covert Action.

3. Item 10 page 15 Chile

Line 1 through "his nominal superior" and line 2 beginning "Meyer was" through line 4 continue to be classified according to Mr. Carpenter, State/INR/OIL. Lines 5 through 11 are declassified and can be found on pages 167-169 of Senate Select Committee Hearings, Volume 7 Covert Action.

4. Item 261 page 338 was discussed with Mr. Merrill T. Kelly, Director, Intelligence Operations ACSI by Seymour Young, PCS/LSN. Mr. Kelly stated the item is still classified.

/s/ George V. Lauder

George V. Lauder

SECRET

13-00000

☐ UNCLASSIFIED ☐ INTERNAL USE ONLY ☐ CONFIDENTIAL ☐ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Marchetti-Marks Manuscript

FROM:	EXTENSION	NO.
C/CAS		DATE 25 April 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DO/O			[illegible]	
2. [illegible]				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

SECRET

25 APR 1977

MEMORANDUM FOR: SA/DO/O

FROM: Donald J. Purcell
Chief, Covert Action Staff

SUBJECT: The CIA and the Cult of Intelligence
by Victor Marchetti and John D. Marks

REFERENCE: Memo for All Divisions and Certain Staffs, from SA/DO/O, 8 April 1977, same subject

Following are Covert Action Staff comments on items 24, 48, 54, 55, 56, 236, and 280, which are among the passages containing classified information that were deleted before publication of the Marchetti-Marks manuscript:

a) Items 24 (p. 47), 55 (p. 80), 56 (p. 81), and 280 (p. 404) are classified secret, and are exempt from publication under Section 5 (b) (2) of EO 11652, which protects intelligence sources and methods of operation. Specifically, these items name RTV, Inc. and describe it as a CIA proprietary that was used for clandestine operations in a variety of countries. In addition, items 55 and 56 are especially sensitive because they describe an operation in Jordan, exposure of which could be harmful to United States relations in the Middle East (Section 5 b 3).

b) Items 54 and 236 (on p. 80 and p. 262) are classified secret, and are exempt from publication under Section (5) (b) (2) of EO 11652, which protects intelligence sources and methods of operation. These items name Forum World Features, describe it as a CIA proprietary that was used for clandestine propaganda operations, specify that the clandestine operations were directed especially at the Third World, and further specify that the man who ran FWF was an experienced CIA operator. It may be worth noting that the Senate Select Committee declined to publish the name of this clandestine proprietary when the Agency advised the Committee that publication would damage the former director of Forum World Features, who had entered into a clandestine relationship with the U.S. Government in good faith.

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c) Item 48 (p. 71a) is classified secret, and is exempt from publication under Section 5 (b) (2) of EO 11652, which protects intelligence sources and methods of operation. This item names African Forum, Africa Report, Preuves, Encounter, and Forum as magazines that received CIA subsidies. In the case of Preuves, Encounter, and Forum, these magazines were published by the former Congress for Cultural Freedom. The Government has not acknowledged covertly subsidizing CCF or its magazines, although Encounter magazine's ties to CIA have been the subject of press speculation. Preuves magazine has been the subject of little or no press speculation, as far as we know, and it is our understanding that French laws prohibit covert foreign subsidies to French publications, which makes it especially important to protect the former CIA tie to that magazine. Exposure of the two Africa magazines would be damaging to a number of prominent people and organizations in this country and in Africa that have worked for improved social conditions in Africa and for good relations between this country and Africa, which would be harmful to this country's relations with Africa. (Section 5 b 3)

Donald J. Purcell

SECRET

13-00000

☐ UNCLASSIFIED ☐ INTERNAL USE ONLY ☐ CONFIDENTIAL ☐ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
Richard S. Sampson Chief, European Division		DATE 25 APR 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DO/O PS-7			[initials]	
2. (DX-6)				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

13-00000

SECRET

MEMORANDUM FOR: Special Assistant to DDO for External Oversight

FROM: Richard S. Sampson
Chief, European Division

SUBJECT: Marks-Marchetti Manuscript: Review of Deletions

1. As requested, the European Division has reviewed the items pertaining to Europe which were deleted from the original manuscript because of the Agency position they were classified information. We can find only one instance in which an authorized official of the U.S. Government has placed any of these references in the public domain since first publication of the book. The specific references are listed below, together with the grounds for classification and the components who have been consulted.

2. References which European Division believes are still classified and should remain so are:

Name/Cite #/Page	E.O. 11652 Exemption Category	Coordination
Alex Springer (#50, p 72)	5 (b) 2	EUR/G
Rome Daily American (#49, p 71a)	5 (b) 2	CCS, EUR/Italy
Magazines: Preuves, Forum (#48, p 71a)	5 (b) 2	CA
Encounter (#48, p 71a)	See note	
Forum World Features (#54, #256, p 80, p 262)	5 (b) 2	CA, EUR/BC

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Name/Cite #/Page	E.O. 11652 Exemption Category	Coordination
LCPIPIT (#334, 335, 336, p 483-4)	5 (b) 3	CA
Bases in Germany (#234, p 262)	5 (b) 3	EUR/G, CCS
Release of Satellite photos to British (#62, p 86)	5 (b) 2	EUR/BC
Liaison relations CANUKUS (#194, 5, 7, p 215, 6, 8) (#308, p 437)	5 (b) 2	EUR/BC
Liaison, others (#196, 225, 333, p 217, 253, 483)	5 (b) 2	AF
MAKARIOS, Base rental deal (#296, 298, 300 p 425, 426)	5 (b) 1	EUR/CGT
Political subsidies: SPD, CDU, Italy (#21, 273, p 45, 380)	5 (b) 3	EUR/Italy
Willy Brandt (#18 - 20, 28, 52, p 42-45, 48, 77)	5 (b) 2	EUR/G

25 April 77 CA Staff memo page NO.

NOTE: CA Staff advises that information admitting CIA funds were provided to Encounter through the Congress for Cultural Freedom has been released under the FOIA and Privacy Act.

R.S. Sampson
Richard S. Sampson

SECRET

SECRET

2 5 APR 1977

MEMORANDUM FOR: Special Assistant to DDO for External Oversight

FROM: Richard S. Sampson
Chief, European Division

SUBJECT: Marks-Marchetti Manuscript: Review of Deletions

1. As requested, the European Division has reviewed the items pertaining to Europe which were deleted from the original manuscript because of the Agency position they were classified information. We can find only one instance in which an authorized official of the U.S. Government has placed any of these references in the public domain since first publication of the book. The specific references are listed below, together with the grounds for classification and the components who have been consulted.

2. References which European Division believes are still classified and should remain so are:

Name/Cite #/Page	E.O. 11652 Exemption Category	Coordination
Alex Springer (#50, p 72)	5 (b) 2	EUR/G
Rome Daily American (#49, p 71a)	5 (b) 2	CCS, EUR/Italy
Magazines: Preuves, Forum (#48, p 71a)	5 (b) 2	CA
Encounter (#48, p 71a)	See note	
Forum World Features (#54, #256, p 80, p 262)	5 (b) 2	CA, EUR/BC

E2 IMPDET
CL BY 003283

SECRET

SECRET

Name/Cite #/Page	E.O. 11652 Exemption Category	Coordination
LCPIPIT (#334, 335, 336, p 483-4)	5 (b) 3	CA
Bases in Germany (#234, p 262)	5 (b) 3	EUR/G, CCS
Release of Satellite photos to British (#62, p 86)	5 (b) 2	EUR/BC
Liaison relations CANUKUS (#194, 5, 7, p 215, 6, 8) (#308, p 437)	5 (b) 2	EUR/BC
Liaison, others (#196, 225, 333, p 217, 253, 483)	5 (b) 2	AF
MAKARIOS, Base rental deal (#296, 298, 300 p 425, 426)	5 (b) 1	EUR/CGT
Political subsidies: SPD, CDU, Italy (#21, 273, p 45, 380)	5 (b) 3	EUR/Italy
Willy Brandt (#18 - 20, 28, 52, p 42-45, 48, 77)	5 (b) 2	EUR/G

5 April 77 CA Staff memo says NO.

NOTE: CA Staff advises that information admitting CIA funds were provided to Encounter through the Congress for Cultural Freedom has been released under the FOIA and Privacy Act.

R.S. Sampson

Richard S. Sampson

DDO/EUR/FP/FC:William Phelps:kdh (25 April 77) (x1872)

Distribution:
Orig & 1 - Addressee
1 - C/EUR
1 - E/FP/FC

SECRET

13-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
SE/OSG 5B4806	1705	DATE 26 April 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DO/O 2D0109			[illegible]	Sam This takes care of SE. Only NE to go. Skip
2. Mr. Halpern				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

SECRET

26 APR 1977

MEMORANDUM FOR: Special Assistant to DDO for External Oversight

FROM : George T. Kalaris
Chief, Soviet/East European Division

SUBJECT : The CIA and the Cult of Intelligence by Victor Marchetti and John D. Marks

REFERENCE : Your Memorandum, Same Subject, dated 8 April 1977

1. We have reviewed the seven items relating to SE Division interests of the 168 items deleted in 1974 from the Marchetti and Marks' book, The CIA and the Cult of Intelligence, againt official disclosures and have determined that with one exception, the items are still properly classified under Executive Order 11652:

A. Item No. 53 relating to NTS remains classified SECRET. It describes intelligence sources and methods of operations directed against the Soviet Union. It is exempt from the General Declassification Schedule of Executive Order 11652, exemption category 5B(3).

B. Item Nos. 58, 59 and 63 relating to the Penkovskiy Papers remains classified SECRET. They describe intelligence sources and methods of an operation directed against the Soviet Union. They are exempt from the General Declassification Schedule of Executive Order 11652, exemption category 5B(3).

C. Item Nos. 148 and 149 relating to the AEIDOL case remain classified SECRET. They describe intelligence sources and methods of an operation based in Tokyo directed against the Soviets and also identify Agency personnel under cover.

WARNING NOTICE - SENSITIVE INTELLIGENCE SOURCES AND METHODS INVOLVED

SECRET

E2 IMPDET
CL BY 014652

2. The one item excepted is Item No. 57. This item relates to the Penkovskiy Papers. Marchetti and Marks wrote in their manuscript: "One of the CIA's most famous venture (sic) in book publishing was The Penkovsky Papers (sic). This chronicle of spying for the West inside the Kremlin appeared in 1965, and it was allegedly taken from the journal of the actual spy, Colonel Oleg Penkovsky." The Penkovskiy Papers are mentioned in the Final Report of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities, Book I, page 194, dated 26 April 1976, as follows:

> "Another CIA book, the Penkovskiy Papers, was published in the United States in 1965 'for operational reasons', but actually became commercially viable. The book was prepared and written by witting Agency assets who drew on actual case materials. Publication rights to the manuscript were sold to a publisher through a trust fund which was established for the purpose. The publisher was unaware of any U.S. Government interest."

3. In view of this published statement by the Senate Select Committee, Item No. 57 has been placed in the public domain by official disclosure by the United States. It can no longer be considered classified under Executive Order 11652.

George T. Kalaris

13-00000

SECRET

26 APR 1977

MEMORANDUM FOR: Special Assistant to DDO for External Oversight

FROM : George T. Kalaris
Chief, Soviet/East European Division

SUBJECT : The CIA and the Cult of Intelligence by Victor Marchetti and John D. Marks

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WARNING NOTICE - SENSITIVE INTELLIGENCE SOURCES AND METHODS INVOLVED

SECRET

E2 IMPDET
CL BY 014652

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> "Another CIA book, the Penkovskiy Papers, was published in the United States in 1965 'for operational reasons', but actually became commercially viable. The book was prepared and written by witting Agency assets who drew on actual case materials. Publication rights to the manuscript were sold to a publisher through a trust fund which was established for the purpose. The publisher was unaware of any U.S. Government interest."

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George T. Kalaris

DDO/SE:JDKenney (x1705 26 April 1977)clh

Distribution:
Orig & 1 - Addressee
1 - SE/RAO
1 - SE/CI
2 - SE/OSG

13-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Memorandum

FROM:	EXTENSION	NO.
NE/COPS - Samuel H. Rickard	R-1188	DATE 27 [redacted] April 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DO/O Attn: Mr. P. Fendig Room: 2D 01 09				
2. Tube: DX-6				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☒ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

13-00000

SECRET

27 APR 1977

MEMORANDUM FOR: SA/DO/O

ATTENTION : Mr. Philip F. Fendig

FROM : Samuel H. Rickard
Chief of Operations, NE Division

SUBJECT : The CIA and the Cult of Intelligence by Victor Marchetti and John D. Marks

1. The following deleted items in subject book have been placed in the public domain as cited below:

not public domain since there has been no official "public disclosure" BY

a. Item 72, page 97: This item, which was placed in the public domain in Harry Rositzke's book, The CIA's Secret Operations, on pages 173 and 174, is a problem area. The author of this book is a former senior CIA officer who allowed the Agency to review his manuscript prior to publication. However, CIA did not approve the manuscript for publication and, therefore, in our view Item 72 remains classified under Executive Order 11652 under Exemption 5B (2).

b. Item 152, page 165 and Item 28, page 48: These two items also fall in a problem area. The following references to CIA's special relationship with the Shah of Iran imply, but do not specifically state, that such a relationship exists. See Book 1 of the Select Committee to Study Governmental Operations with Respect to Intelligence Activities, page 552, and Ray S. Cline's book entitled, Secrets, Spies and Scholars; Blueprint of the Essential CIA, pages 131 and 132. Additionally, though Mr. Cline, a former senior CIA officer, allowed the Agency to review his manuscript prior to publication, CIA did not approve the manuscript for publication. Therefore, in our view Items 152 and 28 remain classified under Executive Order 11652 under Exemption 5B (2).

P.552 is a reprint of an article by Tom Braden and not the official report of the Committee BY

2. The following items remain classified under Executive Order 11652:

Item	Manuscript Page	Exemption
55	80	5B (2)
24	47	5B (2)
56	81	5B (2)
280	404	5B (2)
152	165	5B (2)

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

E2 IMPDET
CL BY 056382

SECRET

SECRET

Item	Manuscript Page	Exemption
23	46	5B (2)
22	46	5B (2) (3)
73	97	5B (2)
172	189	5B (2)
74	98	5B (2)
331	482	5B (2) (3)
332	482	5B (2) (3)
160	182	5B (2)
224	252	5B (2)
159	181	5B (2) (3)
160	182	5B (2)
161	183	5B (2)
162	184	5B (2)

Samuel H. Rickard

SECRET

13-00000

22 April 77 -

Talked to Foy re AF memo:

✓ a) correction of para 3: item 41 page 65 not p 64

✓ b) item 339, page 509: review mention of Congo in item 339; Congo revealed in Church Comite "Alleged Assassination Plots"

c) para 4: to check with State & NSC again on Monday to get "no objection" comment at least, if possible get full coordination

---

27 April 77

a) Received AF comment on Congo item 339 & incorporated into draft of report

b) Ed Foy has NSC coordination on para 4 & will get State's on Monday (2 May) after State officer returns from TDY.

13-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Marchetti/Marks Book

FROM:	EXTENSION	NO.
Chief, Africa/Plans	1326	DATE 27 APR 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DO/O Attn: Mr. Shepanek			[signature]	
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

SECRET

27 APR 1977

MEMORANDUM FOR: SA/DO/O

ATTENTION : Mr. Norbert Shepanek

FROM : Edward J. Foy, Jr.
Chief, Africa/Plans

SUBJECT : Marchetti/Marks Book

1. Mr. Sam Halperin has questioned our request that Item 339, page 509 remain classified on the ground that references to CIA activities in the Congo in an official report of the U.S. Senate declassified the reference to the Congo.

2. The existence of a CIA presence in the Congo is reported in an interim report of the Senate Select Committee on Intelligence dated 20 November 1975. It may be argued therefore that to agree to declassification of the reference to the Congo would have the effect of singling out the Congo in the Third World as an alleged target of CIA operations. This would have an adverse effect on our relations with the government of Zaire. We believe the item should remain classified and that exemption 5(b)(3) would apply in the case of the Congo.

Edward J. Foy, Jr.

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

E2 IMPDET
CL BY 009904

SECRET

SECRET

27 APR 1977

MEMORANDUM FOR: SA/DO/O

ATTENTION : Mr. Norbert Shepanek

FROM : Edward J. Foy, Jr.
Chief, Africa/Plans

SUBJECT : Marchetti/Marks Book

1. Mr. Sam Halperin has questioned our request that Item 339, page 509 remain classified on the ground that references to CIA activities in the Congo in an official report of the U.S. Senate declassified the reference to the Congo.

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/s/ EDWARD J. FOY, JR.

Edward J. Foy, Jr.

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

E2 IMPDET
CL BY 009904

SECRET

13-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
C/AF/PLS	1326	DATE 21 April 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. SA/DDO/O				
2. Attn: Mr. Shepanek				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

13-00000

SECRET

2 1 APR 1977

MEMORANDUM FOR: Special Assistant to DDO for External Oversight

ATTENTION : Mr. Norbert A. Shepanek

FROM : Edward J. Foy, Jr.
Chief, Africa Plans

SUBJECT : The CIA and the Cult of Intelligence

REFERENCE : SA/DO/O Memo dated 8 April 1977, Same Subject

1. The information which pertains to Africa and which was deleted by court order from subject book remains classifiable and classified. The information is national security information, bears directly on the conduct of our foreign affairs and requires protection from unauthorized disclosure. None of the items of information ordered deleted from the book by the courts has been declassified by any United States Government official authorized to declassify national security information.

2. The exemptions which apply to the deleted items are as follows:

Item 29, Page 49	Exemptions 5(B)(2)(3)
Item 79, Page 100	Exemptions 5(B)(1)(2)(3)
Items 283 and 284, Page 413	Exemption 5(B)(3)
Items 286 and 287, Page 414	Exemptions 5(B)(3)
Item, 287a, Page 415	Exemption 5(B)(3)
Item 288, Page 416	Exemption 5(B)(1)(2)(3)
Items 290 and 291, Page 417	Exemption 5(B)(1)(2)(3)

E2 IMPDET
CL BY 009904

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

SECRET

SECRET

3. The following items, all of which relate to matters of concern to Africa Division, also remain classified:

Item 41, Page 6~~4~~5	Exemption 5(B)(2)(3)
Item 42, Page 65a	Exemption 5(B)(2)(3)
Item 47, Page 71	Exemption 5(B)(2)(3)
Item 48, Page 71a	Exemption 5(B)(2)(3)
Item 55, Page 80	Exemption 5(B)(2)
Item 130, Page 133	Exemption 5(B)(2)
Item 170, Page 189	Exemption 5(B)(2)(3)
Item 197, Page 218	Exemption 5(B)(1)(2)(3)
Item 198, Page 219	Exemption 5(B)(1)(2)(3)
Item 301, Page 427	Exemption 5(B)(1)(2)(3)
Item 339, Page 509	Exemption 5(B)(1)(2)(3)

4. Items 283, 284, 286, 287, 287a, 288, 290 and 291 pertain to National Security Council proceedings. Mr. William Edmondson, Deputy Assistant Secretary of State for African Affairs, and Mr. Paul Henze, National Security Council staff, have been informed by telephone this date that CIA will refuse the request of the attorney of Mr. Marchetti and Mr. Marks to declassify these items.

Edward J. Foy, Jr.

SECRET

2 1 APR 1977

MEMORANDUM FOR: Special Assistant to DDO for External Oversight

ATTENTION : Mr. Norbert A. Shepanek

FROM : Edward J. Foy, Jr.
Chief, Africa Plans

SUBJECT : The CIA and the Cult of Intelligence

REFERENCE : SA/DO/O Memo dated 8 April 1977, Same Subject

1. The information which pertains to Africa and which was deleted by court order from subject book remains classifiable and classified. The information is national security information, bears directly on the conduct of our foreign affairs and requires protection from unauthorized disclosure. None of the items of information ordered deleted from the book by the courts has been declassified by any United States Government official authorized to declassify national security information.

2. The exemptions which apply to the deleted items are as follows:

Item 29, Page 49	Exemptions 5(B)(2)(3)
Item 79, Page 100	Exemptions 5(B)(1)(2)(3)
Items 283 and 284, Page 413	Exemption 5(B)(3)
Items 286 and 287, Page 414	Exemptions 5(B)(3)
Item, 287a, Page 415	Exemption 5(B)(3)
Item 288, Page 416	Exemption 5(B)(1)(2)(3)
Items 290 and 291, Page 417	Exemption 5(B)(1)(2)(3)

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WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

3. The following items, all of which relate to matters of concern to Africa Division, also remain classified:

Item 41, Page 6~~4~~5	Exemption 5(B)(2)(3)
Item 42, Page 65a	Exemption 5(B)(2)(3)
Item 47, Page 71	Exemption 5(B)(2)(3)
Item 48, Page 71a	Exemption 5(B)(2)(3)
Item 55, Page 80	Exemption 5(B)(2)
Item 130, Page 133	Exemption 5(B)(2)
Item 170, Page 189	Exemption 5(B)(2)(3)
Item 197, Page 218	Exemption 5(B)(1)(2)(3)
Item 198, Page 219	Exemption 5(B)(1)(2)(3)
Item 301, Page 427	Exemption 5(B)(1)(2)(3)
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/s/ EDWARD J. FOY, JR.

Edward J. Foy, Jr.

13-00000

27 April '77

Sam:
Here's your answer to the Cambodian item on C.I.A.
activities in Cambodia.

John Boldin

13-00000

THE VIETNAM-CAMBODIA EMERGENCY, 1975
Part IV—Cambodia Evacuation: Testimony of Ambassador John Gunther Dean

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HEARING

BEFORE THE

SPECIAL SUBCOMMITTEE ON INVESTIGATIONS

OF THE

COMMITTEE ON INTERNATIONAL RELATIONS HOUSE OF REPRESENTATIVES

NINETY-FOURTH CONGRESS

SECOND SESSION

MAY 5, 1976

Printed for the use of the Committee on International Relations

U.S. GOVERNMENT PRINTING OFFICE

75-094 WASHINGTON : 1976

made on behalf of Cambodia. To insure that the program was tailored to real requirements, to insure that equipment was received by personnel trained in their use and to insure that material provided under MAP had reasonable expectancy of maintenance support, items such as force structure, military organization, technical assistance and logistics became matters that came under the purview of the MEDTC. To have closed our eyes to these aspects in my view, would have ignored congressional concerns regarding efficient management. I did not consider these functions a violation of the congressional intent in banning advisors and these functions continued during my tenure. In my belief the ban would have been violated had personnel been assigned to military units or activities on an around-the-clock basis and involved themselves in most of the matters affecting their units or activity. In prescribing the limits of our assistance, the views of the GAO report were useful in guiding our judgment.

Question 10. During your tenure as Ambassador, did any U.S. Military Attachés serve with Khmer military units in the field?

—What regulations did the U.S. Embassy have to govern the activities of U.S. Military Attaches and the Military Equipment Delivery Team?

—Were any changes in the regulations made after the incident at Kampot involving Major Lawrence Ondecker in March 1974?

Answer. No U.S. military served with Khmer military units in the field. U.S. personnel from both the Defense Attache Office and the Office of the Chief Military Equipment Delivery Team, Cambodia routinely visited and reported the military status of Cambodian military units as part of their duties; however. U.S. personnel did not remain with units in the manner which U.S. advisors did in South Vietnam. U.S. personnel were extensively briefed upon arrival regarding the Congressional restrictions against advisers to the Cambodian military. The Kampot incident occurred prior to my arrival in Cambodia. Shortly after my arrival in Phnom Penh. I received the instructions in effect and determined that they were adequate. I did. however. personally impress upon my military staff, on several occasions. the need to abide scrupulously by these instructions and to avoid situations which might be interpreted as infringements of their prescribed duties.

Question 11. In November 1974. the *Washington Post* reported and the Defense Department acknowledged that data on potential bombing targets in Cambodia was gathered by American reconnaissance flights from Thailand and passed on to Cambodian military authorities.

—When did this practice begin?

—Did you know about it, and did you have a role in it?

—Do you consider it a violation of the Congressional ban on American advisors with Khmer Republic forces?

Answer. It would be inconceivable to me that in a situation as existed in Cambodia that military information which we had would be deliberately withheld or denied to a country to which we were providing enormous military and economic assistance. The information we had concerning enemy activities in Cambodia was a by-product of our own intelligence collecting effort on communist forces throughout Indochina. This information was provided to Cambodian military authorities but the decision on what action, if any, would be taken was one which the Cambodians made for themselves. The provisions of information preceded my arrival and I am not aware exactly when the practice may have begun. I was aware of the practice although I did not play a pivotal part in the process and did not consider this procedure as violating congressional restrictions on American advisors.

Question 12. Did CIA personnel in Cambodia ever act as advisers to Khmer Republic forces in a fashion similar to their activities in Laos (even if on a smaller scale)?

—Could you tell us what role China Airlines played in Cambodia and if it was in any way associated with CIA activities?

—What was the U.S. role in organizing and applying the Khmer "Middle Range Reconnaissance Patrols" (MERPS)?

Answer. Having served both in Laos and Cambodia, and knowing the CIA operations in both countries, I can honestly say that the CIA did not act as advisers to the Khmer Republic forces in a fashion simiiar to their activities in Laos. China Airlines, under contract to Air America. transported supplies. not including weapons and ammunition, for U.S. agencies in Cambodia. The Middle Range Reconnaissance Patrols received U.S. military equipment as part of the Khmer Armed Forces and also received some intelligence collection training.

13-00000

☐ UNCLASSIFIED ☐ INTERNAL USE ONLY ☐ CONFIDENTIAL ☒ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional) The CIA and the Cult of Intelligence, by Victor Marchetti and John D. Marks

FROM: Robert L. Skidmore
CEA/CA
5D3102, Hqs

EXTENSION: 1383

NO.:

DATE: 15 April 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. ACEA/OPS		15/4	[initials]	
2.				
3. DCEA			✓	
4.				
5. CEA			[initials]	
6.				
7. SA/DO/O				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				Call Kathy (1383) for hand carry

FORM 3-62 610 USE PREVIOUS EDITIONS ☒ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

SECRET

16 APR 1977

MEMORANDUM FOR: Special Assistant to DDO for External Oversight

FROM : William J. Graver
Chief, East Asia Division

SUBJECT : The CIA and the Cult of Intelligence, by Victor Marchetti and John D. Marks

REFERENCE : SA/DO/O Memorandum, dated 8 April 1977, Same Subject

East Asia Division officers have reviewed the deleted subject book items per Reference request and conclude they are:

1) still classified under Executive Order 11652,

2) still not in the public domain through official disclosure; and

3) still not contained in material cleared by the Publications Review Board.

William J. Graver

Attachment - Detail Listing

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

E2 IMPDET
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SECRET

Attachment

E. O. 11652 Exemptions for Items in

The CIA and The Cult of Intelligence

Item	Manuscript Page No.	Exemption
26	p. 47	5 B (1) (2)
27	p. 48	5 B (1) (2)
28	p. 48	5 B (1)
31	p. 54	5 B (2)
38	p. 63	5 B (2) (3)
41	p. 65	5 B (2) (3)
42	p. 65 a	5 B (2) (3)
43	p. 65 a	5 B (2) (3)
46	p. 70	5 B (2)
47	p. 71	5 B (2) (3)
67	p. 92	5 B (3)
152	p. 165	5 B (1)
197	p. 218	5 B (1)
319	p. 470	5 B (2)
320	p. 471	5 B (2)
321	p. 471	5 B (2)

16 APR 1977

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CL BY 022438

S E C R E T

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41	p. 65	5 B (2) (3)
42	p. 65 a	5 B (2) (3)
43	p. 65 a	5 B (2) (3)
46	p. 70	5 B (2)
47	p. 71	5 B (2) (3)
67	p. 92	5 B (3)
152	p. 165	5 B (1)
197	p. 218	5 B (1)
319	p. 470	5 B (2)
320	p. 471	5 B (2)
321	p. 471	5 B (2)

13-00000

DD/O 77-3850

28 APR 1977

MEMORANDUM FOR: Mr. John Greaney
Office of General Counsel

FROM : William W. Wells
Deputy Director for Operations

SUBJECT : Review of the 168 Deleted Items in "CIA and the Cult of Intelligence" by Victor Marchetti and John D. Marks

In reply to your oral request, attached is the report of the review of the deleted items which are the responsibility of the DDO. Appropriate components of the DDO reviewed their respective items for classification and their findings are contained in the attached report. Specific classification and exemption authority for each item which is still classified is available, if needed, in each component's response filed with SA/DO/O.

William W. Wells

William W. Wells

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2 - DDO
2 - SA/DO/O

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13-00000

SECRET

DD/O 77-3850/1

27 April 1977

MEMORANDUM FOR: Deputy Director for Operations

VIA : Mr. Ralph J. Katrosh
Special Assistant to the DDO
for External Oversight

FROM : Samuel Halpern

SUBJECT : Review of 168 Deleted Items in
"CIA and the Cult of Intelligence"
by Victor Marchetti and John D. Marks

(U) 1. This is the report of the review done by the appropriate DDO components of those deleted items which are the basic responsibility of the DDO. The remaining deleted items which are the basic responsibility of the DDS&T and DDA were reviewed by those Directorates which are reporting directly to OGC. Responsible components did the necessary inter- and intraagency coordinations.

(U) 2. Several points need to be highlighted concerning the completeness of the review, especially as regards those items declassified by "official public disclosure" as defined by the courts. While I am sure that as diligent a search as possible was done by the DDO components, a thorough and absolutely complete search is impossible for the following reasons:

(U) a. There is no index of any kind, let alone having the material in machine form such as in the RSM, to the fifteen published hearings and reports of the Senate Select Committee to Study Governmental Operations With Respect to Intelligence Activities (Church Committee), the six published hearings and proceedings of the House Select Committee on Intelligence (Pike Committee) or the one volume Report to the President by the Commission on CIA Activities Within the United States (Rockefeller Commission);

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SECRET

(U) b. There is no comprehensive readily available record of precisely what information has been declassified and released in accordance with the Freedom of Information Act and the Privacy Act; there are separate collections with a limited capability to retrieve some such information;

(U) c. There is no available record of the information that officials of the Executive Branch of government, with authority to declassify information, have said or written in public either before Congressional committees, TV talk shows, radio talk shows, college symposiums, the general lecture circuit, other public forums, etc.

In view of the above, it is impossible to guarantee that those items which are still classified by the DDO components have not been deliberately or inadvertently declassified in whole or in part as "official public disclosure."

(U) 3. Bearing in mind the above, attachment A lists those items of the DDO deleted items which have been declassified by "official public disclosure." These thirteen complete and parts of four other items can therefore be released from the court injunction.

(S) 4. Attachment B (seven parts) contains eleven deleted items (seven subjects) which are still classified but about which there may be some possible question. These are highlighted here so that cognizance can be taken and final decisions made with due regard for all legal and policy aspects.

(U) 5. Attachment C lists all DDO remaining items which the DDO components advise are still classified under Executive Order 11652 as amended and cannot be released from the court injunction.

Samuel Halpern

13-00000

ATTACHMENT A

Item No.	MSS p. no.	Official Public Disclosure
3	11	Church Committee Vol. 7, pp. 168, 190
4	12	Church Committee Vol. 7, p. 168
5	12	Church Committee Vol. 7, p. 190
9 (line 17 thru ninth word on line 24)	14	Church Committee Vol. 7, pp. 166-170, 190
10 (last four words of line 1 and first 11 words of line 2; and lines 5-11)	15	Church Committee Vol. 7, pp. 166-170, 190
11	15	Church Committee Vol. 7, pp. 160, 170, 172
46 (line 20 thru first three words of line 24)	70	Church Committee Vol. 7, pp. 148, 165, 166, 171
57	84	Church Committee Book I, p. 194
89	106	Church Committee, Alleged Assassination Plots pp. 139 ff.
124	129	Rockefeller Commission Report p. 218 Church Committee Book I, pp. 208-209
126	130	Rockefeller Commission Report p. 218 Church Committee Book I, pp. 208-209
127	130	Rockefeller Commission Report p. 218 Church Committee Book I, pp. 208-209

SECRET

Item No.	MSS p. no.	Official Public Disclosure
292	420	Church Committee Vol. 7, p. 205
307	435	Church Committee, Alleged Assassination Plots pp. 139 ff.
317	468	Church Committee Vol. 7, pp. 168, 189, 205
338	508	Church Committee Vol. 7, pp. 144-209
339 (line 1, third, fourth, eighth, ninth words; and line 2, first three words)	509	CIA presence has been officially disclosed in the following only: a. Congo - Church Committee report on Alleged Assassination Plots Involving Foreign Leaders, pp. 13-70. b. Cambodia - Amb. John Gunther Dean testimony before the Special Subcommittee on Investigations of the Committee on International Relations, House of Representatives, May 5, 1976, p. 672 c. Laos - Director Colby, 13 September 1974, in an address to the Fund for Peace Conference on CIA and Covert Actions and in Church Committee Book I, pp. 120 and 155; Book IV, p. 68. d. Vietnam - Church Committee report on Alleged Assassination pp. 217-224; Book I, pp. 23 and 120. e. Philippines - Church Committee, Book I, p. 23.

SECRET

ATTACHMENT B (1)

Item No. 22, 28, 152, 172   MSS pp. no. 46, 48, 165, 189

(U) NE Division has highlighted these items.

(S) Item 22 states in part "A notable example of such a 'special relationship' is Iran, where a CIA organized coup d'etat restored the Shah to power in 1953. The Shah was understandably grateful..." Item 28 lists the Shah among other "world leaders with whom CIA has developed special relationships" as does Item 152 and a similar statement is made in Item 179.

(U) Ray S. Cline in his book "Secrets, Spies and Scholars," pp. 131-132, states:

> "... a covert operation so successful that it became widely known all over the world was carried out in Iran. The Shah, then very young, had been driven out of Iran by his left-leaning Premier, Mohammed Mossadegh, whose support came from the local Communist (Tudeh) Party and from the Soviet Union. CIA mounted a modest effort under a skillful clandestine services officer who flew to Iran, hired enough street demonstrators to intimidate those working for Mossadegh, instructed Iranian military men loyal to the Shah how to take over the local radio station, and paved the way for the Shah's triumphal return."

(U) The Church Committee, Book I, p. 111, briefly mentioned "the overthrow of Mohammed Mossadegh in Iran" as one of CIA's "boldest, most spectacular covert operations."

(S) There is a vast difference between the classified deleted items speaking about an active "special relationship" with the Shah following the overthrow of Mossadegh and a statement about CIA's role in overthrowing Mossadegh. The former is still properly classifiable and classified.

SECRET

ATTACHMENT B (2)

Item No. 49 MSS p. no. 71a

(S) Reference to CIA sponsorship of the Rome Daily American is still classified SECRET because it describes intelligence sources and methods as related to newspaper publications. CCS files contain a newsclip from the September and October 1974 edition of the Columbia Journalism Review which states, "Landon K. Thorne, Jr., the CIA's Bross, and a lawyer for CIA, Benjamin Shute, then a partner in the prestigious Wall Street law firm of Cravath, Swaine, and Moore, now acknowledge that the fourth partner [in the purchase of the Rome Daily American in 1956] was the CIA. [Bross] recently called the arrangement 'atypical' of what the Agency was doing, 'a bad example'." It is questionable whether the remarks made by Mr. Bross, who retired from the Agency in 1971, and Mr. Shute, who left the Agency long before that, can be considered as constituting official Agency disclosure of this information.

SECRET

ATTACHMENT B (3)

Item No. 54, 236 MSS p. no. 80, 262

(S) Reference to CIA sponsorship of Forum World Features is still classified SECRET because both items describe intelligence sources and methods and identifies operations based in England. Forum World Features was referred to - but not by name - in Book I of the Church Committee Final Report, page 199, as follows: "Another example of the damages of 'fallout' involved two proprietary news services that the CIA maintained in Europe... The larger of the two was subscribed to by over thirty U.S. newspapers. In an effort to reduce the problem of fallout, the CIA made a senior official at the major U.S. dailies aware that the CIA controlled these two press services." While Forum World Features was not named in the Senate report and therefore continues to be protected, it is possible that CIA disclosure to newspaper editors may be considered as "official public disclosure."

SECRET

ATTACHMENT B (4)

Item No. 67 (lines 24, 25)   MSS p. no. 92

(S) Under injunction as classified information is "For its Tibetan operation of the early sixties, the Agency constructed extensive support facilities in Northeast India and brought large numbers of guerrillas to a deserted Army base in Colorado for special training." Underlining (line 25, ninth thru twenty-third word) indicates the questionable part of the item since MSS page 97, lines 24-26 states "Some Tibetans were quietly brought to the United States for special paramilitary training at Camp Hale in the mountains of Colorado." This sentence was originally deleted, then reinstated and appears in boldface type on page 115 in the published book.

ATTACHMENT B (5)

Item No. 72 MSS p. 97

(U) NE Division has highlighted this item.

(S) The deleted item is "The CIA quickly made contact with the Dalai Lama and a close relationship was established. Financed and advised by Agency covert operators, he was..."

(U) Harry Rositzke, in his book "The CIA's Secret Operations" pp. 173-174, states "As the Korean war was winding down, the CIA began sending intelligence agents into Tibet to assess the situation and see what could be done to forestall the Chinese takeover that was in the offing. Tibetan agents equipped with radios were dispatched by air and made contact with the Dalai Lama in Lhasa, giving him a channel of communication with the West.

"When the Dalai Lama chose to flee from Lhasa to avoid capture by the Chinese forces in 1959, he was accompanied on his flight by a CIA-trained radio operator who was able to keep Washington posted on his often hazardous progress."

(S) The classified deleted item speaks of a CIA "close relationship" with the Dalai Lama and his being "financed and advised" by CIA which is quite different from Rositzke's statement about CIA trained radio operators being with the Dalai Lama. These are two different comments with the first being properly classifiable and classified.

SECRET

ATTACHMENT B (6)

Item No. 107, 128, 129, 279   MSS pp. 123, 132, 133, 403

(S) CCS states that all four items which refer to Fairways Corporation as a CIA-owned proprietary company are still classified since they describe intelligence sources and methods by identifying an operational support facility located in the U.S. and are therefore exempt from declassification under Section 5 (B) (2) of the General Declassification Schedule contained in Executive Order 11652.

(S) According to CCS files, in April 1975 Director Colby was asked by an NBC reporter about CIA sponsorship of Fairways Corporation in connection with a planned TV documentary on Agency proprietaries. CCS files are unclear on the point, but there are indications that Director Colby may have responded to the question in a manner which could have been construed as admission of sponsorship of Fairways. In any case, CCS files contain other evidence that the matter was considered to be still classified as recently as December 1976, when Director Bush wrote to the Administrator of the Federal Aviation Administration regarding CIA sponsorship of Fairways and asked that the subject be withheld from public disclosure.

ATTACHMENT B (7)

Item No. 339 MSS p. no. 509

(S) CIA presence in Bolivia and Brazil has not been officially acknowledged and is still classified because it involves sources and methods.

David Phillips in his book The Night Watch, chapter 8, pp. 212-235, entitled "Brazil, Venezuela 1970-1972" describes his presence as Chief of Station of CIA in Brazil and on page 209 he discusses CIA in Bolivia.

(S) In regard to the declassification of CIA presence in the Congo (Attachment A, Item 339, MSS p. no. 509), Africa Division states "The existence of a CIA presence in the Congo is reported in an interim report of the Senate Select Committee on Intelligence dated 20 November 1975. It may be argued therefore that to agree to declassification of the reference to the Congo would have the effect of singling out the Congo in the Third World as an alleged target of CIA operations. This would have an adverse effect on our relations with the government of Zaire. We believe the item should remain classified and that exemption 5 (b) (3) would apply in the case of the Congo."

It is not a question of whether to agree or not to declassification of reference to the Congo. The Church Committee report as cited in Attachment A has already made "official-public disclosure" of the matter, rendering the subject moot. In addition, as Item 339 in Attachment A shows, four other countries of the Third World are also mentioned, thereby not singling out the Congo alone. What adverse effect could be expected now by another public reference to CIA presence in the Congo as of the original 1974 publication date of the Marchetti/Marks book, is difficult to comprehend. Since the government of Zaire has not changed since the 1975 release of the information by the Church Committee, it would seem that whatever adverse effects there might be have already occurred.

SECRET

ATTACHMENT C

ITEMS STILL CLASSIFIED IN MARCHETTI MANUSCRIPT

Item No.	MSS p. no.	Item No.	MSS p. no.
1	11	63	86
9 (lines 14-16; line 24, last two words thru line 29)	14	67	92
		72	97
		73	97
		74	98
		79	100
10 (line 1, first 7 words; line 2, last 2 words thru line 4)	15	107	123
		128	132
		129	133
		130	133
		148	155
		149	156
18	42	152	165
19	43	159	181
20	44	160	182
21	45	161	183
22	46	162	184
23	46	182	196
24	47	194	215
26	47	195	216
27	48	196	217
28	48	197	218
29	49	198	219
31	54	201	222
34	59	224	252
38	63	225	253
41	65	226	257
42	65a	234	262
43	65a	236	262
46 (line 24, fourth word thru line 31)	70	256	329
		261	334
		273	380
47	71	278	400
48	71a	279	403
49	71a	280	404
50	72	283	413
51	72	284	413
52	77	286	414
53	78	287	414
54	80	287a	415
55	80	288	416
56	81	290	417
58	84	291	417
59	85	296	425
62	86	298	426

Item No.		MSS p. no.
300		426
308		437
318		469
319		470
320		471
321		471
322		473
323		474
331		482
332		482
333		483
334		483
335		483
336		484
337		507
339	(line 1, first two words and fifth, sixth and seventh words)	509

28 April 1977

MEMORANDUM FOR: Mr. John Greaney
Office of General Counsel

FROM : William W. Wells
Deputy Director for Operations

SUBJECT : Review of the 168 Deleted Items in "CIA and the Cult of Intelligence" by Victor Marchetti and John D. Marks

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/s/

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SECRET

SECRET

27 April 1977

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VIA : Mr. Ralph J. Katrosh
Special Assistant to the DDO
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FROM : Samuel Halpern

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E2 IMPDET
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In view of the above, it is impossible to guarantee that those items which are still classified by the DDO components have not been deliberately or inadvertently declassified in whole or in part as "official public disclosure."

(U) 3. Bearing in mind the above, attachment A lists those items of the DDO deleted items which have been declassified by "official public disclosure." These thirteen complete and parts of four other items can therefore be released from the court injunction.

(S) 4. Attachment B (seven parts) contains eleven deleted items (seven subjects) which are still classified but about which there may be some possible question. These are highlighted here so that cognizance can be taken and final decisions made with due regard for all legal and policy aspects.

(U) 5. Attachment C lists all DDO remaining items which the DDO components advise are still classified under Executive Order 11652 as amended and cannot be released from the court injunction.

Samuel Halpern

ATTACHMENT A

Item No.	MSS p. no.	Official Public Disclosure
3	11	Church Committee Vol. 7, pp. 168, 190
4	12	Church Committee Vol. 7, p. 168
5	12	Church Committee Vol. 7, p. 190
9 (line 17 thru ninth word on line 24)	14	Church Committee Vol. 7, pp. 166-170, 190
10 (last four words of line 1 and first 11 words of line 2; and lines 5-11)	15	Church Committee Vol. 7, pp. 166-170, 190
11	15	Church Committee Vol. 7, pp. 160, 170, 172
46 (line 20 thru first three words of line 24)	70	Church Committee Vol. 7, pp. 148, 165, 166, 171
57	84	Church Committee Book I, p. 194
89	106	Church Committee, Alleged Assassination Plots pp. 139 ff.
124	129	Rockefeller Commission Report p. 218 Church Committee Book I, pp. 208-209
126	130	Rockefeller Commission Report p. 218 Church Committee Book I, pp. 208-209
127	130	Rockefeller Commission Report p. 218 Church Committee Book I, pp. 208-209

SECRET

Item No.	MSS p. no.	Official Public Disclosure
292	420	Church Committee Vol. 7, p. 205
307	435	Church Committee, Alleged Assassination Plots pp. 139 ff.
317	468	Church Committee Vol. 7, pp. 168, 189, 205
338	508	Church Committee Vol. 7, pp. 144-209
339 (line 1, third, fourth, eighth, ninth words; and line 2, first three words)	509	CIA presence has been officially disclosed in the following only: a. Congo - Church Committee report on Alleged Assassination Plots Involving Foreign Leaders, pp. 13-70. b. Cambodia - Amb. John Gunther Dean testimony before the Special Subcommittee on Investigations of the Committee on International Relations, House of Representatives, May 5, 1976, p. 672 c. Laos - Director Colby, 13 September 1974, in an address to the Fund for Peace Conference on CIA and Covert Actions and in Church Committee Book I, pp. 120 and 155; Book IV, p. 68. d. Vietnam - Church Committee report on Alleged Assassination pp. 217-224; Book I, pp. 23 and 120. e. Philippines - Church Committee, Book I, p. 23.

ATTACHMENT B (1)

Item No. 22, 28, 152, 172   MSS pp. no. 46, 48, 165, 189

(U) NE Division has highlighted these items.

(S) Item 22 states in part "A notable example of such a 'special relationship' is Iran, where a CIA organized coup d'etat restored the Shah to power in 1953. The Shah was understandably grateful..." Item 28 lists the Shah among other "world leaders with whom CIA has developed special relationships" as does Item 152 and a similar statement is made in Item 179.

(U) Ray S. Cline in his book "Secrets, Spies and Scholars," pp. 131-132, states:

> "... a covert operation so successful that it became widely known all over the world was carried out in Iran. The Shah, then very young, had been driven out of Iran by his left-leaning Premier, Mohammed Mossadegh, whose support came from the local Communist (Tudeh) Party and from the Soviet Union. CIA mounted a modest effort under a skillful clandestine services officer who flew to Iran, hired enough street demonstrators to intimidate those working for Mossadegh, instructed Iranian military men loyal to the Shah how to take over the local radio station, and paved the way for the Shah's triumphal return."

(U) The Church Committee, Book I, p. 111, briefly mentioned "the overthrow of Mohammed Mossadegh in Iran" as one of CIA's "boldest, most spectacular covert operations."

(S) There is a vast difference between the classified deleted items speaking about an active "special relationship" with the Shah following the overthrow of Mossadegh and a statement about CIA's role in overthrowing Mossadegh. The former is still properly classifiable and classified.

SECRET

ATTACHMENT B (2)

Item No. 49 MSS p. no. 71a

(S) Reference to CIA sponsorship of the Rome Daily American is still classified SECRET because it describes intelligence sources and methods as related to newspaper publications. CCS files contain a newsclip from the September and October 1974 edition of the Columbia Journalism Review which states, "Landon K. Thorne, Jr., the CIA's Bross, and a lawyer for CIA, Benjamin Shute, then a partner in the prestigious Wall Street law firm of Cravath, Swaine, and Moore, now acknowledge that the fourth partner [in the purchase of the Rome Daily American in 1956] was the CIA. [Bross] recently called the arrangement 'atypical' of what the Agency was doing, 'a bad example'." It is questionable whether the remarks made by Mr. Bross, who retired from the Agency in 1971, and Mr. Shute, who left the Agency long before that, can be considered as constituting official Agency disclosure of this information.

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SECRET

ATTACHMENT B (3)

Item No. 54, 236 MSS p. no. 80, 262

(S) Reference to CIA sponsorship of Forum World Features is still classified SECRET because both items describe intelligence sources and methods and identifies operations based in England. Forum World Features was referred to - but not by name - in Book I of the Church Committee Final Report, page 199, as follows: "Another example of the damages of 'fallout' involved two proprietary news services that the CIA maintained in Europe... The larger of the two was subscribed to by over thirty U.S. newspapers. In an effort to reduce the problem of fallout, the CIA made a senior official at the major U.S. dailies aware that the CIA controlled these two press services." While Forum World Features was not named in the Senate report and therefore continues to be protected, it is possible that CIA disclosure to newspaper editors may be considered as "official public disclosure."

SECRET

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ATTACHMENT B (4)

Item No. 67 (lines 24, 25)   MSS p. no. 92

(S) Under injunction as classified information is "For its Tibetan operation of the early sixties, the Agency constructed extensive support facilities in Northeast India and brought large numbers of guerrillas to a deserted Army base in Colorado for special training." Underlining (line 25, ninth thru twenty-third word) indicates the questionable part of the item since MSS page 97, lines 24-26 states "Some Tibetans were quietly brought to the United States for special paramilitary training at Camp Hale in the mountains of Colorado." This sentence was originally deleted, then reinstated and appears in boldface type on page 115 in the published book.

SECRET

ATTACHMENT B (5)

Item No. 72 MSS p. 97

(U) NE Division has highlighted this item.

(S) The deleted item is "The CIA quickly made contact with the Dalai Lama and a close relationship was established. Financed and advised by Agency covert operators, he was..."

(U) Harry Rositzke, in his book "The CIA's Secret Operations" pp. 173-174, states "As the Korean war was winding down, the CIA began sending intelligence agents into Tibet to assess the situation and see what could be done to forestall the Chinese takeover that was in the offing. Tibetan agents equipped with radios were dispatched by air and made contact with the Dalai Lama in Lhasa, giving him a channel of communication with the West.

"When the Dalai Lama chose to flee from Lhasa to avoid capture by the Chinese forces in 1959, he was accompanied on his flight by a CIA-trained radio operator who was able to keep Washington posted on his often hazardous progress."

(S) The classified deleted item speaks of a CIA "close relationship" with the Dalai Lama and his being "financed and advised" by CIA which is quite different from Rositzke's statement about CIA trained radio operators being with the Dalai Lama. These are two different comments with the first being properly classifiable and classified.

ATTACHMENT B (6)

Item No. 107, 128, 129, 279 MSS pp. 123, 132, 133, 403

(S) CCS states that all four items which refer to Fairways Corporation as a CIA-owned proprietary company are still classified since they describe intelligence sources and methods by identifying an operational support facility located in the U.S. and are therefore exempt from declassification under Section 5 (B) (2) of the General Declassification Schedule contained in Executive Order 11652.

(S) According to CCS files, in April 1975 Director Colby was asked by an NBC reporter about CIA sponsorship of Fairways Corporation in connection with a planned TV documentary on Agency proprietaries. CCS files are unclear on the point, but there are indications that Director Colby may have responded to the question in a manner which could have been construed as admission of sponsorship of Fairways. In any case, CCS files contain other evidence that the matter was considered to be still classified as recently as December 1976, when Director Bush wrote to the Administrator of the Federal Aviation Administration regarding CIA sponsorship of Fairways and asked that the subject be withheld from public disclosure.

SECRET

ATTACHMENT B (7)

Item No. 339 MSS p. no. 509

(S) CIA presence in Bolivia and Brazil has not been officially acknowledged and is still classified because it involves sources and methods.

David Phillips in his book The Night Watch, chapter 8, pp. 212-235, entitled "Brazil, Venezuela 1970-1972" describes his presence as Chief of Station of CIA in Brazil and on page 209 he discusses CIA in Bolivia.

(S) In regard to the declassification of CIA presence in the Congo (Attachment A, Item 339, MSS p. no. 509), Africa Division states "The existence of a CIA presence in the Congo is reported in an interim report of the Senate Select Committee on Intelligence dated 20 November 1975. It may be argued therefore that to agree to declassification of the reference to the Congo would have the effect of singling out the Congo in the Third World as an alleged target of CIA operations. This would have an adverse effect on our relations with the government of Zaire. We believe the item should remain classified and that exemption 5 (b) (3) would apply in the case of the Congo."

It is not a question of whether to agree or not to declassification of reference to the Congo. The Church Committee report as cited in Attachment A has already made "official-public disclosure" of the matter, rendering the subject moot. In addition, as Item 339 in Attachment A shows, four other countries of the Third World are also mentioned, thereby not singling out the Congo alone. What adverse effect could be expected now by another public reference to CIA presence in the Congo as of the original 1974 publication date of the Marchetti/Marks book, is difficult to comprehend. Since the government of Zaire has not changed since the 1975 release of the information by the Church Committee, it would seem that whatever adverse effects there might be have already occurred.

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ATTACHMENT C

ITEMS STILL CLASSIFIED IN MARCHETTI MANUSCRIPT

Item No.	MSS p. no.	Item No.	MSS p. no.
1	11	63	86
9 (lines 14-16; line 24, last two words thru line 29)	14	67	92
		72	97
		73	97
		74	98
		79	100
10 (line 1, first 7 words; line 2, last 2 words thru line 4)	15	107	123
		128	132
		129	133
		130	133
		148	155
		149	156
18	42	152	165
19	43	159	181
20	44	160	182
21	45	161	183
22	46	162	184
23	46	182	196
24	47	194	215
26	47	195	216
27	48	196	217
28	48	197	218
29	49	198	219
31	54	201	222
34	59	224	252
38	63	225	253
41	65	226	257
42	65a	234	262
43	65a	236	262
46 (line 24, fourth word thru line 31)	70	256	329
		261	334
		273	380
47	71	278	400
48	71a	279	403
49	71a	280	404
50	72	283	413
51	72	284	413
52	77	286	414
53	78	287	414
54	80	287a	415
55	80	288	416
56	81	290	417
58	84	291	417
59	85	296	425
62	86	298	426

SECRET

Item No.	MSS p. no.
300	426
308	437
318	469
319	470
320	471
321	471
322	473
323	474
331	482
332	482
333	483
334	483
335	483
336	484
337	507
339 (line 1, first two words and fifth, sixth and seventh words)	509

SECRET

MEMORANDUM FOR: Mr. John K. Greaney
Associate General Counsel

FROM : Deputy Director for Operations

SUBJECT : DDO Coordination on DDS&T's Review of Deletions from <u>The CIA and the Cult of Intelligence</u> by Marchetti and Marks

REFERENCE : DDS&T-5193-76/1 dated 27 May 1977

1. Appropriate Components of the DDO have reviewed the following items (deletions) listed at Tab C of referent for coordination with the DDO and concur with the DDS&T that they are all properly classified in accordance with E.O. 11652 and should so remain:

Item	Manuscript Page
25	47
159	181
160	182
161	183
162	184
163	184
164	185
205	234
208	235
209	236
295	424
297	425
299	426
301	427

2. In Tab D of referent, the DDS&T deferred to DDO or OS the decision on the classification of Item 190, manuscript page 214, relating to Soviet capabilities to make intelligible the sounds picked up by audio devices discovered in the code room of the American Embassy in Moscow. The appropriate DDO Component finds that this item must remain classified SECRET since it relates to cryptography and is exempt from the General Declassification Schedule of

[illegible]

E2 IMPDET CL BY 018630

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E.O. 11652, exemption category 5B(2).

3. Specific classification and exemption authority for each item, if needed, is available from SA/DO/O.

William W. Wells

O/SA/DO/O:NAShepanek:kaw (1542)

Distribution
Original & 1 - Addressee
2 - DDO
1 - ADDO
1 - Ex Reg
2 - DDS&T
2 - SA/DO/O

SECRET

DDS&T-5193-76/1

27 MAY 1977

MEMORANDUM FOR: General Counsel

ATTENTION : John Greaney

SUBJECT : Review of Deletions from The CIA and the Cult of Intelligence by Marchetti and Marks

1. The responsible and knowledgeable components of this directorate have reviewed the appropriate deletions from subject book per your request. The review was made to determine whether each deletion was still classified under EO 11652 or whether the information in each deletion has been officially released by the U.S. Government.

2. Attached, Tab A, is a list of the deleted items reviewed by this directorate. Tab B is a list of those items of primary interest of this directorate. All of these items remain classified; however, portions of one item, 135, can be released. Tab C is a list of those items which we determined are still classified under EO 11652; however, some portions of three items can be released, but we recommend that all of the items in Tab C be coordinated with other indicated elements. Tab D is a list of items we determined are not of concern to this directorate and should be referred to other indicated elements. Tab E is a list of the four items mentioned above which we believe portions can now be released. The portions in red brackets remain classified and should not be released.

3. Since many of the deleted items involved the National Security Agency (NSA), we attempted to coordinate our determinations through our contacts at NSA. We were told that any coordination must be handled between the NSA and CIA General Counsel. As a result, no further coordination with other elements was attempted.

4. This memorandum completes the DDS&T action on the court ordered review of the deletions from subject book.

Ernest J. Zellmer

ERNEST J. ZELLMER
Associate Deputy Director
for
Science and Technology

Attachments:
As Stated

E-2 IMPDET CL BY 005166

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TAB A

DELETED ITEMS IN THE MARCHETTI MANUSCRIPT

REVIEWED BY THE DDS&T

Item	Page	Item	Page
25	47	190	214
86	104	191	214
87	104	192	215
88	105	204	233
91	106	205	234
92	107	208	235
135	134	209	236
136	135	245	268
155	177	248	269
157	179	254	327
158	180	258	331
159	181	259	331
160	182	260	331
161	183	267	337
163	184	268	337
164	185	269	337
165	185	275	394
166	185	295	424
167	185	297	425
170	189	299	426
171	189	301	427
172	189	302	427
173	190	304	430
174	191	306	431
175	191	312	442
176	192	313	450
177	193	324	474
178	194	325	474
187	200	327	475
188	201	328	476
189	202	329	480

Tab B

ITEMS OF INTEREST TO THE DDS&T

AND REMAIN CLASSIFIED

Item	Manuscript Page	
91	106	SECRET, 5B(2) and (3)
92	107	SECRET, 5B(2) and (3)
*135	134	SECRET, 5B(2) and (3)
136	135	SECRET, 5B(2) and (3)
155	177	SECRET, 5B(3)
158	180	SECRET, 5B(2) and (3)
163	184	SECRET, 5B(2) and (3)
165	185	SECRET, 5B(3)
166	185	CONFIDENTIAL, 5B(2)
167	185	CONFIDENTIAL, 5B(2)
188	201	TOP SECRET, 5B(2)

*Can be sanitized and portions released.

ITEMS OF INTEREST TO DDS&T AND SHOULD REMAIN
CLASSIFIED BUT SHOULD BE COORDINATED WITH OTHER ELEMENTS

Item	Manuscript Page	
* 25	47	DDO
* 87	104	DOD (DIA)
88	105	DOD (DIA)
157	179	OS
159	181	DDO, OC, ERDA
160	182	DDO, OC, ERDA
161	183	DDO, OC, ERDA
162	184	DDO, OC, ERDA
163	184	DDO
164	185	DDO
172	189	NSA
187	200	DOD (Navy)
189	202	DOD (Navy)
204	233	NSA and DDO
205	234	DDO
208	235	DDO
209	236	DDO
245	268	DOD (SAFSS)
248	269	DOD (SAFSS)
254	327	DOD (SAFSS), NSC Staff
258	331	DOD (SAFSS)

*Can be sanitized and portions released.

Item	Manuscript Page	
259	331	DOD (SAFSS)
260	331	DOD (SAFSS)
267	337	DOD (Navy)
268	337	DOD (Navy)
269	337	DOD (Navy)
*275	394	OL
295	424	DDO
297	425	DDO
299	426	DDO, NSA
301	427	DDO, OC, NSA
302	427	NSA
304	430	NSA
306	431	DOD (Navy)
312	442	NSA
313	450	NSA
329	480	NSC Staff

*Can be sanitized and portions released.

ITEMS REFERRED TO OTHER COMPONENTS

Item	Manuscript Page	
86	104	O/DCI
170	189	NSA
171	189	NSA
173	190	NSA
174	191	NSA
175	191	NSA
176	192	NSA
177	193	NSA
178	194	NSA
190	214	DDO or OS
191	214	State Department
192	215	State Department
324	474	DOD (JCS) and NSC Staff
325	474	DOD
327	475	DDI and DOD
328	476	DDI, DOD and NSC Staff

Tab E

ITEMS SANITIZED FOR POSSIBLE RELEASE

Item 135, Manuscript page 134

"A somewhat similar sale of a proprietary occurred in [1967] when CIA decided to get rid of a technical research [laboratory] in the [Boston] area."

Item 25, Manuscript page 47

"Over the years, the CIA closely collaborated with the [Nationalists] first to run guerrilla attacks against [mainland China] and then in more recent years to use [Taiwan] as a base for U-2 flights (flown over China by Nationalist pilots trained in the United States), electronic surveillance of the mainland and such covert action programs as propaganda and disinformation aimed at China during the Cultural Revolution.]"

Item 87, Manuscript page 107

"The Agency also had a project to determine where American prisoners of war were being held in North Vietnam and to [communicate with them] Scale models of the prisons were constructed from aerial [and satellite photography] and from other intelligence, and studies were made to learn which [prisoners had tried or might be willing to try to communicate. Some of the prisoners, on their own, had earlier used their infrequent letters to their families as a means of sending coded messages relating where they were being held. Thus, the Agency worked out schemes to use return mail from the families to send answers back] Meanwhile, the Technical Services Division of the"

Item 275, Manuscript page 394

"[new optics for satellite cameras and improvements in 'over the horizon' radars.] These technical contracts were almost always drawn up under the cover of being between the scholar (or the university) and some government agency other than the CIA (the Defense Department or some component thereof were the most"

Tab C

ITEMS OF INTEREST TO DDS&T AND SHOULD REMAIN CLASSIFIED BUT SHOULD BE COORDINATED WITH OTHER ELEMENTS

	Item		Manuscript Page	
EA - China -	* 25	(1)	47	DDO
	* 87		104	DOD (DIA)
	88		105	DOD (DIA)
	157		179	OS
China/India -	159	(2)	181	DDO, OC, ERDA
" "	160	(3)	182	DDO, OC, ERDA
" "	161	(4)	183	DDO, OC, ERDA
" "	162	(5)	184	DDO, OC, ERDA
" "	163	(6)	184	DDO
" "	164	(7)	185	DDO
	172		189	NSA
	187		200	DOD (Navy)
	189		202	DOD (Navy)
	204		233	NSA and DDO
NE Iran	205	(8)	234	DDO
LA —	208	(9)	235	DDO
LA —	209	(10)	236	DDO
	245		268	DOD (SAFSS)
	248		269	DOD (SAFSS)
	254		327	DOD (SAFSS), NSC Staff
	258		331	DOD (SAFSS)

*Can be sanitized and portions released.

Tab C
Continued

	Item	Manuscript Page	
	259	331	DOD (SAFSS)
	260	331	DOD (SAFSS)
	267	337	DOD (Navy)
	268	337	DOD (Navy)
	269	337	DOD (Navy)
	*275	394	OL
EA China →	295 (11)	424	DDO
EA-China/EUR Cyprus	297 (12)	425	DDO
EA/EUR –	299 (13)	426	DDO, NSA
AF –	301 (14)	427	DDO, OC, NSA
	302	427	NSA
	304	430	NSA
	306	431	DOD (Navy)
	312	442	NSA
	313	450	NSA
	329	480	NSC Staff

*Can be sanitized and portions released.

Tab D

ITEMS REFERRED TO OTHER COMPONENTS

Item	Manuscript Page	
86	104	O/DCI
170	189	NSA
171	189	NSA
173	190	NSA
174	191	NSA
175	191	NSA
176	192	NSA
177	193	NSA
178	194	NSA
SE – 190	214	DDO or OS
191	214	State Department
192	215	State Department
324	474	DOD (JCS) and NSC Staff
325	474	DOD
327	475	DDI and DOD
328	476	DDI, DOD and NSC Staff

Hussein and the U.S. Government became increasingly concerned about the strong and strident propaganda voice of Radio Cairo. Both parties shared a desire to counter its anti-American, anti-Hussein line (which was not new), so the CIA funded the building of a Jordanian television station. A CIA owned, New York based proprietary company, named RTV, provided the technical expertise and management skills to put the station in operation. (24)

Still another example of a country where the CIA enjoys a special relationship is Nationalist China. On Taiwan, however, the CIA's link is not with President Chiang Kai-shek but with his son and heir apparent, Premier Chiang Ching-Kuo. One former CIA chief of station, Ray Cline, now the State Department's Director of Intelligence and Research, became something of a legend within the Clandestine Services because of his frequent all-night drinking bouts with the younger Chiang.

Over the years, the CIA closely collaborated with the Nationalists first to run guerrilla attacks against mainland China and then in more recent years to use Taiwan as a base for U-2 flights (flown over China by Nationalist pilots trained in the United States), electronic surveillance of the mainland and such covert action programs as propaganda and disinformation aimed at China during the Cultural Revolution. (25)

In South Vietnam, Ambassador Ellsworth Bunker insisted on personally conducting all important meetings with President Thieu; sometimes Bunker was accompanied by the CIA chief of station when there was Agency business to be discussed. But there has been another CIA officer in Saigon who has known Thieu for many years and who has retained access to the Vietnamese President. According to a former assistant to Ambassador Bunker, this CIA officer has served as conduit between Thieu and the American government when a formal meeting is not desired or when Thieu wishes to float an idea.

Over the years, the CIA has provided Thieu ~~personally with~~ personally with millions of dollars in untraceable, "black bag" funds (laundered money) ~~in addition to the hundreds of~~ (26)

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the information straight forwardly, thereby, handicapping the analysts in making a confident judgment of the accuracy of the report's content. *

Some intelligence analysts, both inside and outside the CIA, receive large numbers of this type of report every day, many of which do come from actual agents. But by mixing together information supplied by audio surveillance (which is, by definition, an accurate account of what was said) with agent reports which are sometimes exaggerated or false, the Clandestine Services confuses and often misleads those people within the U.S. government whose function it is to analyze foreign events and indirectly those leaders who make decisions based on that intelligence analysis.

[In the mid-1960s, the Far East Division of the Clandestine Services and the experts of the Scientific and Technical Directorate combined forces to carry out one of the Agency's most imaginative (if ultimately unsuccessful) intelligence collection operations ever undertaken. At that time, top-level U.S. government officials were disturbed by repprts that Communist China was on the verge of developing an intercontinental ballistic missile (ICBM) system. They knew that the threat posed by Chinese ICBM's would play an important part in the decision, then under consideration, to go ahead with an American anti-ballistic missile (ABM) deployment program. As a matter of the highest priority, the CIA was told to find out what was happening at Shuangch'engtzu, the Chinese missile test site in the far western corner of Inner Mongolia. (159)

The Agency's technical specialists responded by designing a nuclear-ppwered device which could monitor certain key electronic emissions coming from the missile site, well over a thousand miles away, and then rely the information to a CIA listening post. The plan was to emplace the device on a mountain peak called the Nanda Devi, at an altitude of more than 25,000 feet, in the Indian Himalayas from where it would have an unobstructed "line-of-sight" to the secret test facility. As the device was being perfected in the CIA laboratories, the Clandestine Services took on the responsibility for the most]

[redacted]

difficult phase of the operation -- installing the machine on the mountain top.

The first thing that had to be done was to gain the permission of the Indian government to implement the scheme, not a large problem in view of the CIA's close relations with the Indian intelligence service. The Indians not only agreed but, surprisingly, insisted on full participation in the project. Next, the Agency recruited a group of experienced mountain climbers to carry the device, complete with its nuclear powerpack, pp the mountain and put it into operation. A well-known American mountaineer who had previously conquered Mt. Everest, Barry Bishop, was contacted and convinced to lead the climb. Overall control of the operation, however, was placed in the hands of an experienced CIA case officer.

That summer, the Agency operator along with the American and Indian climbers, and a group of Sherpa porters, were brought together at a secret CIA training base in the Rocky Mountains to practice as a team and to learn how to assemble the monitoring device once they got it to the top of Nanda Devi. Cover for the operation was carefully built by leaking information in international mountaineering circles that a joint American-Indian expedition was planning an ascent of one of the more difficult Himalayan peaks. During the winter, the technicians completed work on the sensor device, and a few months later the CIA chief of station in Delhi reported that all logistical and cover arrangements with Indian intelligence had been completed. The monitoring device was clandestinely flown to a secure staging area in northern India by a transport plane from one of the Agency's proprietary airlines. Next, the climbers were brought together and taken to the camp in the foothills of the Himalayas from where they and the Sherpas would begin their long, difficult ascent of the Nanda Devi.

Things went well at first, but after the expedition passed the snow line, the Indians began to tire and became irascible, claiming that they were backpacking too much weight. The CIA case officer redistributed the load by convincing the

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(161)

would do. Progress slowed and, behind schedule, the team reached the base camp from where the final ascent to the mountain's summit would be made by a small party of climbers accompanidd by a few porters. Soon after the group had started for the peak, one of the Sherpas returned to base camp to tell the CIA man, who had remained behind to handle communications with the staging area, that the Indians were causing trouble at the higher altitudes. The case officer immediately set out to reach Bishop and the summit team in an effort to restore peace among the climbers. The project was now well off schedule, and any more delays would have endangered the entire expedition because of the onset of bad weather. With some difficulty, the Agency operator was able to get the team moving again, and it finally reached its target near the top of the Nanda Devi. Amidst howling winds and at temperatures well below zero, the climbers assembled the monitoring device and put it into operation. With spirits high, the group returned to base camp and the news of the successful installation was radioed back to the staging area.

But within a few short months, the signals that the sensor had been sending from the Nanda Devi stopped. The CIA dispatched a plane to fly over the mountain and photograph the monitoring site. It was learned that the device had been knocked over by a snow slide. When the Indian government was informed of the development, it complained to the CIA station in Delhi that the nuclear generator might be polluting the headwaters of the sacred Ganghes River which flow out of the Himalayas. The Indian concern was about religious pollution, not ecological.

The CIA reacted by planning another climb of the mountain for the following year, both to retrieve the damaged equipment and implace a new monitoring system -- this one powered by a non-nuclear generator. The climbing team, led by Bishop, was gathered together again and this time it reached the top of the mountain with comparatively little difficulty. The new device was set up, but after an extensive search, the atomic generator from the year

before was not found. Again after only a few weeks, the second sensor device stopped working. This time the failure was attributed to a mechanical malfunction.

At this point, the Agency gave up on mountain-top monitoring of the Communist Chinese missile program, turning to other systems and new, improved satellites for acquiring the information it was seeking. The Indians were thanked and compensated for their cooperation. The American climbers were presented with secret medals by a grateful, but disappointed, CIA.

The fertile imaginations of the [redacted]S&T experts during the following years produced many more unique collrction schemes aimed at solving the mysteries of China's strategic missile program. Most eventually proved to be unworkable, and at least one entailed a frighteningly high-risk potential. The silliest of them all, however, called for the creation of a small one-man airplane that could theoretically be packaged in two large suitcases. In concept, an agent along with the suitcases would somehow be infiltrated into the denied area where, after performing his espionage mission, he would assemble the aircraft and fly to safety over the nearest friendly border. Even the chief of the Clandestine Services refused to have anything to do with this scheme, and the projectydied on the drawing boards.

A second system was a device, long and tubular like a rocket, that could be dropped by a U-2 or another aircraft near the missile test site, its fall slowed by a parachute so that the device would penetrate only two or three feet into the ground on impact. Afterwards, the system, an aerial rising from its top, would activate itself and perform its electronic sensing tasks. Still later, the device would transmit its findings to a listening post, most likely a circling aircraft. The need for secret air penetration deep into a foreign and hostile power to deliver the monitoring device and additional similar flights to retrieve the data collected and stored by the machine raised serious questions as to the system's utility and worth. The [redacted]S&T

specialists, fascinated by the technical aspects of the project, seemed, however, oblivious of the dangers involved in secretly flying near a Chinese missile installation and dropping an object in an action that could quite easily appear to a startled radar operator as a lone bomber engaging in a surprise nuclear attack. Development of the costly system was, therefore, pushed ahead. The technicians were more concerned with the fact that the test drops of the device in the southwestern U.S. desert usually resulted in the system burying itself several feet below the ground surface or so jarring the delicate instrumentation that the device failed to self-activate and function properly. (164)

A third system was a model airplane roughly the size of a large bird, such as a condor, which was powered by a miniature nuclear engine and which could be launched from outside China and guided to the missile test site well over a thousand miles away, all the while soaring in patterns that would resemble on the air defense radar scopes the flight patterns of a large eagle. Once over the target, the plane's electronic sensors and tiny television cameras would be turned on to record activities below and relay the information either to its launch site or much more likely a hovering aircraft that had penetrated Chinese airspace for this purpose. Millions of dollars were expended by the CIA in research on this "baby U-2" that called for numerous breakthroughs in the state of the technical arts. Its chief advantage was, of course, that if and when it was shot down there would be no pilot to confess it had been on an Agency-sponsored spying mission. (165)

The technical difficulties involved in the air-drop system and the model airplane device were too great and time consuming for either to be fully developed by their inventors before improvements in intelligence satellite surveillance programs were achieved, thus negating the justifying requirement for these questionably and potentially provocative collection systems before they could be put into operation. Other clandestine collection devices -- a few more sensibly contrived, most, however, of dubious value -- were also being (166) (167)

restore the Shah to power. Over the years, the Shah had shown his gratitude by allowing the Agency to use Iran as a base for electronic and radar surveillance of the Soviet Union. The CIA station chief in Iran usually maintained much closer contact with the Shah than the American ambassador. (With the 1973 appointment of former CIA Director Helms to the past of American ambassador in Iran, any Agency-State conflicts then presumably disappeared.)

[No ¶] The issue arose after By 1968, the Agency had developed a new type of over-the-horizon radar which it wished to install near the Soviet border in Iran for surveillance of the Soviet Union. As was normally the case, CIA representatives carried out most of the negotiations with the Iranis.] However, when Ambassador Armin Meyer was informed of the details of the proposed agreement, he raised some questions with the CIA station chief that blossomed into an inter-agency dispute. At this point Meyer cabled the State Department for instructions and advice.

205

In the way of background, it should be understood that CIA communications clerks handle nearly all classified cables between American embassies overseas and Washington -- for both the CIA and the State Department. To have a separate code room for each agency in every embassy would be a wasteful procedure, so a senior CIA communications expert is regularly assigned to the administrative part of the State Department in order to oversee CIA's communicators who work under State cover. In theory, CIA code clerks are not supposed to read the messages they send for State, but any code clerk who wants to have a successful career quickly realized that his promotions depend on the CIA and that he is well advised to show the CIA station chief copies of all important State messages. The State Department long ago implicitly recognized that its most secret cables are not secure from CIA inspection by setting up special communications channels which sppposedly cannot be deciphered by the CIA.

[When, in 1968, Ambassador Meyer ran into troubles with the CIA station chief in Teheran, Meyer switched his "secure" communications channel (Roger) with State Dept. Hqs in Washington to one of these "secure" channels, called "Roger." He needed to be able to discuss the]

situation in private with his superiors. But Bob and his cohorts at FI/D were one step ahead of Ambassador Meyer. They had figured out a way to intercept his cables and the replies he received from Washington. So shortly after each State message was sent, Bob would appear in the CIA executive suite with a copy of the message for the personal inspection of the Director. Written on top of each intercepted cable was a warning that the contents of the cable should be kept especially confident because State was unaware that the CIA had a copy.

Despite Agency knowledge of all of Meyer's instructions and information, Meyer and State's director of Iranian Affairs in Washington refused to yield to Agency pressure for a quick settlement. Even after these two men met at CIA headquarters with the Deputy Director of CIA, Vice Admiral Rufus Taylor, they still insisted that the Agency's plans for the new installation were unacceptable to the U.S. government as a whole. CIA Director Helms was so aggravated by this continued resistance that he personally telephoned Secretary of State Rusk to settle the matter. Rusk promptly ended the dispute by agreeing completely to the CIA position.

Bob was also involved in another series of events which started when FI/D worked out a liaison arrangement with the codebreaking service of a certain South American government. This arrangement was ostensibly for the purpose of allowing the CIA and the other country to cooperate in decoding messages sent by third countries. However, FI/D tood advantage of the liaison to intercppt the secret communications of the host South American government. Such arrangements were normal procedure to Bob. The intensely dedicated law and order advocate saw nothing wrong in practicing this sort of duplicity on an allied government which cooperated in good faith. (208) OUT

FI/D's liaison with the South American country continued for a long period of time until relations between the United States and that nation soured over unrelated issues, and as a result FI/D was forced to break off the relationship. However, FI/D did not give up hope that the previous working arrangements could be restored.

Sometime later, Bbb suggested to an officer in the CIA's executive suite that the Agency should help the South American country obtain a channel in the international satellite communications network, Comsat. Always the secretive operator, Bob did not explain why the Agency should do this, and the other CIA man replied that CIA, afterall, was not the American foreign aid program; and wether or not this particular country received a Comsat channel did not seem to be a matter concerning CIA. Only later did the executive suite officer learn from other sources that FI/D had worked out a deal with the South American country in which liaison would be restored in return for a Comsat channel(which CIA would intercept). But Bob could not bring himself to share his scheme even with a fellow Agency employee in the Director's office.

Eventually, the South American country received the Comsat channel; the country restored liaison with FI/D; and CIA again had access to all of that country's secret messages.

Bob's job with FI/D is by no means one of the dirtiest jobs in the Clandestine Services. There are operators in the paramilitary fields who probably conceive and carry out more distasteful machinations. But Bob is in a position where, on a regular basis, he misrepresents himself and even lies within the U.S. government -- not to mention the deceit he and his colleagues perpetrate on friendly foreign governments which in good faith enter into liaison agreements with FI/D.

Bob X is one of these ordinary looking people who mow their lawn, love their wives, and do some very nasty things for the CIA.

~~Tow~~ Two other devoted family men who lived in suburban Washington homes similar to Bob X's are named James McCord and E. Howard Hunt. Both had long, relatively successful careers with the CIA and rose to roughly the same upper-middle level of the bureaucracy as Bob X has. McCord was a CIA security officer, specializing in protecting the Agency's physical facilities. Hunt was an operator who played a leading role in the Bay of Pigs and who took part

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Agency had become involved in a chain of events which forced it to intervene militarily in a second country to protect its operation against Cuba. The President may have set the original policy, but there was no way he could have known that simply by approving an attack on Cuba, he would set in train Agency paramilitary activities against Guatamala.

CIA operations can have another unforseen effect on American foreign policy. They can subject the country to blackmail if something goes wrong. For instance, after the CIA pilot was shot down and captured by Indonesia in 1958, within five days the US government approved the sale for local currency of 37,000 tons of American rice and lifted an embargo on $1 million in small arms and other military equipment. Considering at that moment, the CIA was actively backing an armed revolution against the Sukarno regime, these would have been strange actions indeed for the US government to take if it were not extremely concerned about saving the captured pilot.

A somewhat similar incident occurred in Singapore in 1960 after a CIA lie detector expert was flown specially into the city to make sure that a locally recruited agent was trustworthy. When the Agency technician plugged in his polygraph machine in a hotel room, he blew out all the fuses in the building.* The

*This was not the only time that the CIA blew major fuses overseas. During the mid-1960s, the Agency added to its numerous facilities on Taiwan by building a huge electronic [illegible]

lie detector man, a CIA case officer, and the local agent were soon all under arrest. The Singapore government and the British, who were in the process of granting Singapore its independence, were both quite disturbed bythe indident. Negotiations then ensued to secure the men's release. According to Singapore Prime Minister Lee Kuan Yew, the US government offered$3.3 million to get them out. Lee claimed that he wanted ten times as much and consequently took nothing. In any case, the two CIA officials were subsequently freed, the newly installed Secretary of State, Dean Rusk, wrote a secret letter of apology to the Singapore leader. In 1965, Lee mentioned the affair in a speech as an example of the type of activities engaged in by the CIA. The State Department then issued a routine denial furnished by the CIA--State's press office not realizing the truth of Lee's charges. Lee reacted by publicly producing Rusk's letter of apology, and State was forced to retract its original statement, although it still maintained that no ransom had ever been offered. As well as embarrassing the US government and making headlines around the world, the incident caused the State Department to revamp its internal system for making announcements about intelligence matters.

Blackmail was agin the theme in the mid-1960s when the (296)
President of Cyprus, Archbishop Makarios, quietly informed the

installation for surveillance of the Chinese mainland. When the device was turned on for the first time, it knocked out a large (297)
part of the island's power. In this case, the local government reacted in a much more friendly manner than did Singapore's.

US government that he might oust certain intelligence installations from his island. The CIA had a major interest in the matter, since it operated a Foreign Broadcast Information Service FBIS) listening post there, and the Pentagon was also concerned about the possible loss of its large electronic surveillance facilities. The view in the intelligence community was that Makarios had to be mollified at practically all costs. Finally, government negotiators reached a secret deal with the w ily old archbishop, and he received a special payment of about $10 million in return for letting the bases remain. The CIA put up half of the money, using the Director's Contingency Fund for this unforseen expense. 298

In general, the presence of American intelligence facilities in a foreign country can have an important effect on American policy toward that country, especially in the Tgird World. Closely aligned countries, such as England, Germany, Japan, and Australia, have usually allowed the United States to set up electronic spying bases as part of the general framework of cooperation between allies. 299 But to the less developed countries, the presence of an American installation is both a threat and an opportunity. The threat comes from domestic opposition forces who look on the base as an example of "neo-colonialism" and use it as a weapon against those in power. The opportunity arises out of the fact that the United States will pay dearly for the right to install its eavesdropping equipment--and to keep it in place, as Archbishop Makarios discovered. 300

13-00000

The only American military bases in Africa are in fact primarily intelligence facilities. These are Kagnew in Ethiopia and Kenitra in Morocco. Both host governments have been severely criticized by internal forces and neighboring countries for giving the United States a foothold in their nations, but both have been handsomely rewarded in terms of receiving American military and economic assistance which had added up over the years into the hundreds of millions of dollars. While comparatively modest amounts of aid would have probably been supplied, even if there had been no bases, the large size of the programs represented, in effect, a direct payment for the intelligence facilities. (301)

Similarly, from 1956 until the end of 1969, the US Air Force operated a huge base near Peshawar in Pakistan, which was primarily an intelligence facility. For several years before Francis Gary Powers' abortive flight over the Soviet Union in 1960, CIA U-2 planes used Peshawar as a principal take-off point for reconnaissance flights over and along the edges of the Soviet Union. In addition, military intelligence set up a vast array of electronic listening devices there to monitor activities within the Soviet Union. From the early days of the Eisenhower administration, the United States had allied itself more closely with Pakistan than with India in those two countries' traditional struggle. Yet, at least some experts on the region believe that an important factor in the American "tilt" toward Pakistan, at least until the late 1960s, was the desire to hold on to the (302)

penetration, while clearly fortuitous, are not unique in clandestine operations. In 1964, it was learned that the American embassy in Moscow had been thoroughly bugged by the KGB. Scores of Soviet audio devices were found throughout the building. Counterespionage and security specialists determined that the equipment had been installed in 1952 when the embassy had been renovated, and that the bugs had been operational for roughly twelve years. The damage report asserted that during this entire period -- at the height of the cold war -- Soviet intelligence had probably intercepted every diplomatic cable between Washington and the embassy. [This assessment was based on the discovery of electronic audio devices in the code room which ~~would have~~ allowed the Soviets to hear distinctly the sounds being maded by the typewriters and cryptographic equipment. It was a reasonably easy technological feat -- well within Soviet capabilities -- to translate such sounds into their true alphabetical meaning.] (190)

American suspicions about the Soviet eavesdropping were apparently aroused early in 1964 when Soviet leader Khrushchev made a remark to Ambassador ~~Fay~~ Foy Kohler about Kohler's role in blocking the shipment to the Soviet Union of steel for an important pipeline. Taken in context, Khrushchev's remark indicated to Kohler that there was a leak somewhere in American security. Kohler started a massive investigation, and within a month or two, forty-odd bugs were found embedded in walls throughout the embassy. Although Kohler would later claim there was no connection between the discovery of the bugs and the investigation he ordered after his conversation with Khrushchev, the timing would seem to indicate otherwise.

[In any case, the official damage report concluded that for those twelve crucial years at the height of the Cold War, the Soviets almost certainly knew every diplomatic secret which was communicated between the American embassy in Moscow and Washington. The damage report noted, however, that this Soviet knowledge may well have worked to the advantage of the United States at least in one instance in 1953 when the Korean War armistice was being negotiated. At the time, U.S. bargaining position with the North Koreans was that if a particular (191)

13-00000

SECRET

DDA 77-2412
28 APR 1977

MEMORANDUM FOR: Mr. Halpern

FROM: H.G. Bean
Acting Executive Officer/DDA

SUBJECT: Fairways Corporation

REFERENCE: Attached memorandum from Central Cover Staff

1. With reference to paragraph 4 in the attached memorandum from Mr. Latta, to the very best of our knowledge the CIA sponsorship of the Fairways Corporation has not been officially placed in the public domain. There has been at least one newspaper article relating to Fairways and, in addition, at least one short television news item on the same subject. However, official confirmation of the allegations of a relationship which was made in these media presentations has been carefully avoided.

2. There has been official acknowledgement of the fact that CIA's Office of Training runs a proprietary to provide executive transportation. Such a statement appeared in the report of the Senate Select Committee on Intelligence Activities. However, here again there has been no acknowledgement that such an entity was identical with or related to the Fairways Corporation.

3. The DDA concurs with the position of CCS as expressed in paragraph 2 of Mr. Latta's memorandum.

H.G. Bean

Attachment

cc: CCS

SECRET

CLASSIFIED BY 058229

SECRET

77-2340

21 April 1977

MEMORANDUM FOR: Executive Officer to the DDA

FROM : M. L. Latta
Deputy Chief, Plans and Review Group
Central Cover Staff

SUBJECT : Fairways Corporation

1. Per our telephone conversation today, attorneys for Victor Marchetti have requested release of the 168 items previously deleted by court order from the book, The CIA and the Cult of Intelligence. Fairways Corporation was referred to CCS by the SA/DO/O for review in this connection.

2. Fairways Corporation is the subject of four items (107, 128, 129, 279, on pages 123, 132, 133, and 403 respectively,) in the original manuscript. The position of CCS on all four items is that they are still classified, since they describe intelligence sources and methods by identifying an operational support facility located in the U.S., and are therefore exempt from declassification under Section 5(B)(2) of the General Declassification Schedule contained in Executive Order 11652.

3. According to CCS files, in April 1975 Director Colby was asked by an NBC reporter about CIA sponsorship of Fairways in connection with a planned TV documentary on Agency proprietaries. CCS files are unclear on the point, but there are indications that Director Colby may have responded to the question in a manner which could have been construed as admission of CIA sponsorship of Fairways. In any case, CCS files contain other evidence that the matter was considered to be still classified as recently as December 1976, when Director Bush wrote to the Administrator of the Federal Aviation Administration regarding CIA sponsorship of Fairways and asked that the subject be withheld from public disclosure.

E2 IMPDET
CL BY 026089

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

SECRET

4. Per our conversation, CCS has stated in its response to the SA/DO/O that DDA would comment further on the extent to which CIA sponsorship of Fairways may have been placed in the public domain since the court order (i.e., since February 1975).

5. Please direct your comments to SA/DO/O. For your information, Mr. Halpern, Room 6 D 0120, red line x9588, is preparing an overall response on the subject for the SA/DO/O.

M. L. Latta

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MEMORANDUM FOR: Record

attached are DDO Division responses coordinating DDS+T response to John Greany, OGC, on declassification of deletions from The Cult of Intelligence by Marks-Marchetti.

On the basis of the attached a memo of DDO position was prepared and sent to Mr. Greany over the DDO's signature.

action Completed. M A Slepanek

Date June 1977

FORM 5-75 101 USE PREVIOUS EDITIONS

SECRET

14 June 1977

MEMORANDUM FOR: See Distribution

FROM : Norbert A. Shepanek
O/SA/DO/O

SUBJECT : DDS&T Request for DDO Coordination on Certain Deletions in the <u>Cult of Intelligence</u> by Marchetti - Marks

1. In conjunction with the current review of the deletions in subject book for possible declassification, the DDS&T has indicated certain items which they believe should remain classified but has requested DDO coordination. Copies of the deletions pertinent to your component are attached (see page 3).

2. Please review the deletions using the same criteria applied during the review of deletions within the exclusive purview of the DDO. If you find that any of the items have been legally placed in the public domain, please provide the details.

3. The following items should be reviewed by the components indicated and response forwarded to the writer by 23 June 1977:

Item	Manuscript Page	Review Responsibility
25	47	EA Division
159	181	EA Division and NE Div.
160	182	" " " "
161	183	" " " "
162	184	" " " "
163	184	" " " "
164	185	" " " "
205	234	NE Division
208	235	LA Division
209	236	LA Division
295	424	EA Division
297	425	EA Division and EUR Div.
299	426	EA Division and EUR Div.
301	427	AF Division
190	214	SE Division (Office of Security may be appropriate action office for this item)

E2 IMPDET CL BY 018630

SECRET

4. Where more than one Division is involved, a single coordinated reply may be provided. If there are any questions, please contact the writer on x1542.

N. A. Shepanek

Attachments
As Noted Above

O/SA/DO/O:NAShepanek:kaw (1542)

Distribution
Original - C/EA/CA ✓ 17 June
1 - E/FP/FC
1 - NE/COPS
1 - C/AF/Plans
1 - C/SE/OSG
1 - LA/FOIA ✓
2 - SA/DO/O

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SECRET

DDS&T-5193-76/1

27 MAY 1977

MEMORANDUM FOR: General Counsel

ATTENTION : John Greaney

SUBJECT : Review of Deletions from The CIA and the Cult of Intelligence by Marchetti and Marks

1. The responsible and knowledgeable components of this directorate have reviewed the appropriate deletions from subject book per your request. The review was made to determine whether each deletion was still classified under EO 11652 or whether the information in each deletion has been officially released by the U.S. Government.

2. Attached, Tab A, is a list of the deleted items reviewed by this directorate. Tab B is a list of those items of primary interest of this directorate. All of these items remain classified; however, portions of one item, 135, can be released. Tab C is a list of those items which we determined are still classified under EO 11652; however, some portions of three items can be released, but we recommend that all of the items in Tab C be coordinated with other indicated elements. Tab D is a list of items we determined are not of concern to this directorate and should be referred to other indicated elements. Tab E is a list of the four items mentioned above which we believe portions can now be released. The portions in red brackets remain classified and should not be released.

3. Since many of the deleted items involved the National Security Agency (NSA), we attempted to coordinate our determinations through our contacts at NSA. We were told that any coordination must be handled between the NSA and CIA General Counsel. As a result, no further coordination with other elements was attempted.

4. This memorandum completes the DDS&T action on the court ordered review of the deletions from subject book.

Ernest J. Zellmer

ERNEST J. ZELLMER
Associate Deputy Director
for
Science and Technology

Attachments:
As Stated

E-2 IMPDET CL BY 005166

SECRET

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TAB A

DELETED ITEMS IN THE MARCHETTI MANUSCRIPT

REVIEWED BY THE DDS&T

Item	Page	Item	Page
25	47	190	214
86	104	191	214
87	104	192	215
88	105	204	233
91	106	205	234
92	107	208	235
135	134	209	236
136	135	245	268
155	177	248	269
157	179	254	327
158	180	258	331
159	181	259	331
160	182	260	331
161	183	267	337
163	184	268	337
164	185	269	337
165	185	275	394
166	185	295	424
167	185	297	425
170	189	299	426
171	189	301	427
172	189	302	427
173	190	304	430
174	191	306	431
175	191	312	442
176	192	313	450
177	193	324	474
178	194	325	474
187	200	327	475
188	201	328	476
189	202	329	480

Tab B

ITEMS OF INTEREST TO THE DDS&T

AND REMAIN CLASSIFIED

Item	Manuscript Page	
91	106	SECRET, 5B(2) and (3)
92	107	SECRET, 5B(2) and (3)
*135	134	SECRET, 5B(2) and (3)
136	135	SECRET, 5B(2) and (3)
155	177	SECRET, 5B(3)
158	180	SECRET, 5B(2) and (3)
163	184	SECRET, 5B(2) and (3)
165	185	SECRET, 5B(3)
166	185	CONFIDENTIAL, 5B(2)
167	185	CONFIDENTIAL, 5B(2)
188	201	TOP SECRET, 5B(2)

*Can be sanitized and portions released.

Tab C

ITEMS OF INTEREST TO DDS&T AND SHOULD REMAIN CLASSIFIED BUT SHOULD BE COORDINATED WITH OTHER ELEMENTS

Item	Manuscript Page	
* 25	47	DDO
* 87	104	DOD (DIA)
88	105	DOD (DIA)
157	179	OS
159	181	DDO, OC, ERDA
160	182	DDO, OC, ERDA
161	183	DDO, OC, ERDA
162	184	DDO, OC, ERDA
163	184	DDO
164	185	DDO
172	189	NSA
187	200	DOD (Navy)
189	202	DOD (Navy)
204	233	NSA and DDO
205	234	DDO
208	235	DDO
209	236	DDO
245	268	DOD (SAFSS)
248	269	DOD (SAFSS)
254	327	DOD (SAFSS), NSC Staff
258	331	DOD (SAFSS)

*Can be sanitized and portions released.

Tab C
Continued

Item	Manuscript Page	
259	331	DOD (SAFSS)
260	331	DOD (SAFSS)
267	337	DOD (Navy)
268	337	DOD (Navy)
269	337	DOD (Navy)
*275	394	OL
295	424	DDO
297	425	DDO
299	426	DDO, NSA
301	427	DDO, OC, NSA
302	427	NSA
304	430	NSA
306	431	DOD (Navy)
312	442	NSA
313	450	NSA
329	480	NSC Staff

*Can be sanitized and portions released.

ITEMS REFERRED TO OTHER COMPONENTS

Item	Manuscript Page	
86	104	O/DCI
170	189	NSA
171	189	NSA
173	190	NSA
174	191	NSA
175	191	NSA
176	192	NSA
177	193	NSA
178	194	NSA
190	214	DDO or OS
191	214	State Department
192	215	State Department
324	474	DOD (JCS) and NSC Staff
325	474	DOD
327	475	DDI and DOD
328	476	DDI, DOD and NSC Staff

ITEMS SANITIZED FOR POSSIBLE RELEASE

Item 135, Manuscript page 134

"A somewhat similar sale of a proprietary occurred in 1967 when CIA decided to get rid of a technical research laboratory in the Boston area."

Item 25, Manuscript page 47

"Over the years, the CIA closely collaborated with the Nationalists first to run guerrilla attacks against mainland China and then in more recent years to use Taiwan as a base for U-2 flights (flown over China by Nationalist pilots trained in the United States), electronic surveillance of the mainland and such covert action programs as propaganda and disinformation aimed at China during the Cultural Revolution."

Item 87, Manuscript page 107

"The Agency also had a project to determine where American prisoners of war were being held in North Vietnam and to communicate with them. Scale models of the prisons were constructed from aerial and satellite photography and from other intelligence, and studies were made to learn which prisoners had tried or might be willing to try to communicate. Some of the prisoners, on their own, had earlier used their infrequent letters to their families as a means of sending coded messages relating where they were being held. Thus, the Agency worked out schemes to use return mail from the families to send answers back. Meanwhile, the Technical Services Division of the"

Item 275, Manuscript page 394

"new optics for satellite cameras and improvements in 'over the horizon' radars. These technical contracts were almost always drawn up under the cover of being between the scholar (or the university) and some government agency other than the CIA (the Defense Department or some component thereof were the most"

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Tab C

ITEMS OF INTEREST TO DDS&T AND SHOULD REMAIN CLASSIFIED BUT SHOULD BE COORDINATED WITH OTHER ELEMENTS

Item	Manuscript Page	
* 25	47	DDO
* 87	104	DOD (DIA)
88	105	DOD (DIA)
157	179	OS
159	181	DDO, OC, ERDA
160	182	DDO, OC, ERDA
161	183	DDO, OC, ERDA
162	184	DDO, OC, ERDA
163	184	DDO
164	185	DDO
172	189	NSA
187	200	DOD (Navy)
189	202	DOD (Navy)
204	233	NSA and DDO
205	234	DDO
208	235	DDO
209	236	DDO
245	268	DOD (SAFSS)
248	269	DOD (SAFSS)
254	327	DOD (SAFSS), NSC Staff
258	331	DOD (SAFSS)

*Can be sanitized and portions released.

Tab C
Continued

Item	Manuscript Page	
259	331	DOD (SAFSS)
260	331	DOD (SAFSS)
267	337	DOD (Navy)
268	337	DOD (Navy)
269	337	DOD (Navy)
*275	394	OL
295	424	DDO
297	425	DDO
299	426	DDO, NSA
301	427	DDO, OC, NSA
302	427	NSA
304	430	NSA
306	431	DOD (Navy)
312	442	NSA
313	450	NSA
329	480	NSC Staff

*Can be sanitized and portions released.

Tab D

ITEMS REFERRED TO OTHER COMPONENTS

Item	Manuscript Page	
86	104	O/DCI
170	189	NSA
171	189	NSA
173	190	NSA
174	191	NSA
175	191	NSA
176	192	NSA
177	193	NSA
178	194	NSA
190	214	DDO or OS
191	214	State Department
192	215	State Department
324	474	DOD (JCS) and NSC Staff
325	474	DOD
327	475	DDI and DOD
328	476	DDI, DOD and NSC Staff

13-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
Norbert A. Shepanek O/SA/DO/O 2D0109	1542	DATE 14 June 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. Ralph J. Katrosh SA/DO/O		14 June	[initials]	
2.				
3. Mr. Robert Skidmore C/EA/CA 5D3102 Hqs.	15 JUN 1977	16 JUN 1977	RLS	The EA items cited should remain classified as they reveal sources + methods and have not been placed in the public domain by the USG. R.L. Skidmore
4.				
5. ACEA	16 June			
6.				
7. SA/DO/O				
8.				
9.				
10.				
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13.				
14.				
15.				

FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

SECRET

14 June 1977

MEMORANDUM FOR: See Distribution

FROM : Norbert A. Shepanek
O/SA/DO/O

SUBJECT : DDS&T Request for DDO Coordination on Certain Deletions in the Cult of Intelligence by Marchetti - Marks

1. In conjunction with the current review of the deletions in subject book for possible declassification, the DDS&T has indicated certain items which they believe should remain classified but has requested DDO coordination. Copies of the deletions pertinent to your component are attached (see page 3).

2. Please review the deletions using the same criteria applied during the review of deletions within the exclusive purview of the DDO. If you find that any of the items have been legally placed in the public domain, please provide the details.

3. The following items should be reviewed by the components indicated and response forwarded to the writer by 23 June 1977:

Item	Manuscript Page	Review Responsibility
25	47	EA Division
159	181	EA Division and NE Div.
160	182	" " " "
161	183	" " " "
162	184	" " " "
163	184	" " " "
164	185	" " " "
205	234	NE Division
208	235	LA Division
209	236	LA Division
295	424	EA Division
297	425	EA Division and EUR Div.
299	426	EA Division and EUR Div.
301	427	AF Division
190	214	SE Division (Office of Security may be appropriate action office for this item)

E2 IMPDET CL BY 018630

SECRET

SECRET

4. Where more than one Division is involved, a single coordinated reply may be provided. If there are any questions, please contact the writer on x1542.

N. A. Shepanek

Attachments
As Noted Above

O/SA/DO/O:NAShepanek:kaw (1542)

Distribution
Original - C/EA/CA
1 - E/FP/FC
1 - NE/COPS
1 - C/AF/Plans
1 - C/SE/OSG
1 - LA/FOIA
2 - SA/DO/O

SECRET

[Hussein and the U.S. Government became increasingly concerned about the strong and strident propaganda voice of Radio Cairo. Both parties shared a desire to counter its anti-American, anti-Hussein line (which was not new), so the CIA funded the building of a Jordanian television station. A CIA owned, New York based proprietary company, named RTV, provided the technical expertise and management skills to put the station in operation.] (24)

Still another example of a country where the CIA enjoys a special relationship is Nationalist China. On Taiwan, however, the CIA's link is not with President Chiang Kai-shek but with his son and heir apparent, Premier Chiang Ching-Kuo. One former CIA chief of station, Ray Cline, now the State Department's Director of Intelligence and Research, became something of a legend within the Clandestine Services because of his frequent all-night drinking bouts with the younger Chiang.

[Over the years, the CIA closely collaborated with the Nationalists first to run guerrilla attacks against mainland China and then in more recent years to use Taiwan as a base for U-2 flights (flown over China by Nationalist pilots trained in the United States), electronic surveillance of the mainland and such covert action programs as propaganda and disinformation aimed at China during the Cultural Revolution.] (25)

In South Vietnam, Ambassador Ellsworth Bunker insisted on personally conducting all important meetings with President Thieu; sometimes Bunker was accompanied by the CIA chief of station when there was Agency business to be discussed. But there has been another CIA officer in Saigon who has known Thieu for many years and who has retained access to the Vietnamese President. According to a former assistant to Ambassador Bunker, this CIA officer has served as conduit between Thieu and the American government when a formal meeting is not desired or when Thieu wishes to float an idea.

[Over the years, the CIA has provided Thieu personally with ~~personally with~~ millions of dollars in untraceable, "black bag" funds (laundered money) ~~in addition to the hundreds of~~] (26)

the information straight forwardly, thereby, handicapping the analysts in making a confident judgment of the accuracy of the report's content.*

Some intelligence analysts, both inside and outside the CIA, receive large numbers of this type of report every day, many of which do come from actual agents. But by mixing together information supplied by audio surveillance (which is, by definition, an accurate account of what was said) with agent reports which are sometimes exaggerated or false, the Clandestine Services confuses and often misleads those people within the U.S. government whose function it is to analyse foreign events and indirectly those leaders who make decisions based on that intelligence analysis.

[In the mid-1960s, the Far East Division of the Clandestine Services and the experts of the Scientific and Technical Directorate combined forces to carry out one of the Agency's most imaginative (if ultimately unsuccessful) intelligence collection operations ever undertaken. At that time, top-level U.S. government officials were disturbed by repprts that Communist China was on the verge of developing an intercontinental ballistic missile (ICBM) system. They knew that the threat posed by Chinese ICBM's would play an important part in the decision, then under consideration, to go ahead with an American anti-ballistic missile (ABM) deployment program. As a matter of the highest priority, the CIA was told to find out what was happening at Shuangch'engtzu, the Chinese missile test site in the far western corner of Inner Mongolia. (159)

The Agency's technical specialists responded by designing a nuclear-ppwered device which could monitor certain key electronic emissions coming from the missile site, well over a thousand miles away, and then rely the information to a CIA listening post. The plan was to emplace the device on a mountain peak called the Nanda Devi, at an altitude of more than 25,000 feet, in the Indian Himalayas from where it would have an unobstructed "line-of-sight" to the secret test facility. As the device was being perfected in the CIA laboratories, the Clandestine Services took on the responsibility for the most

difficult phase of the operation -- installing the machine on the mountain top. (160)

The first thing that had to be done was to gain the permission of the Indian government to implement the scheme, not a large problem in view of the CIA's close relations with the Indian intelligence service. The Indians not only agreed but, surprisingly, insisted on full participation in the project. Next, the Agency recruited a group of experienced mountain climbers to carry the device, complete with its nuclear powerpack, pp the mountain and put it into operation. A well-known American mountaineer who had previously conquered Mt. Everest, Barry Bishop, was contacted and convinced to lead the climb. Overall control of the operation, however, was placed in the hands of an experienced CIA case officer.

That summer, the Agency operator along with the American and Indian climbers, and a group of Sherpa porters, were brought together at a secret CIA training base in the Rocky Mountains to practice as a team and to learn how to assemble the monitoring device once they got it to the top of Nanda Devi. Cover for the operation was carefully built by leaking information in international mountaineering circles that a joint American-Indian expedition was planning an ascent of one of the more difficult Himalayan peaks. During the winter, the technicians completed work on the sensor device, and a few months later the CIA chief of station in Delhi reported that all logistical and cover arrangements with Indian intelligence had been completed. The monitoring device was clandestinely flown to a secure staging area in northern India by a transport plane from one of the Agency's proprietary airlines. Next, the climbers were brought together and taken to the camp in the foothills of the Himalayas from where they and the Sherpas would begin their long, difficult ascent of the Nanda Devi.

Things went well at first, but after the expedition passed the snow line, the Indians began to tire and became irascible, claiming that they were backpacking too much weight. The CIA case officer redistributed the load by convincing the

would do. Progress slowed and, behind schedule, the team reached the base camp from where the final ascent to the mountain's summit would be made by a small party of climbers accompanied by a few porters. Soon after the group had started for the peak, one of the Sherpas returned to base camp to tell the CIA man, who had remained behind to handle communications with the staging area, that the Indians were causing trouble at the higher altitudes. The case officer immediately set out to reach Bishop and the summit team in an effort to restore peace among the climbers. The project was now well off schedule, and any more delays would have endangered the entire expedition because of the onset of bad weather. With some difficulty, the Agency operator was able to get the team moving again, and it finally reached its target near the top of the Nanda Devi. Amidst howling winds and at temperatures well below zero, the climbers assembled the monitoring device and put it into operation. With spirits high, the group returned to base camp and the news of the successful installation was radioed back to the staging area.

But within a few short months, the signals that the sensor had been sending from the Nanda Devi stopped. The CIA dispatched a plane to fly over the mountain and photograph the monitoring site. It was learned that the device had been knocked over by a snow slide. When the Indian government was informed of the development, it complained to the CIA station in Delhi that the nuclear generator might be polluting the headwaters of the sacred Ganghes River which flow out of the Himalayas. The Indian concern was about religious pollution, not ecological.

The CIA reacted by planning another climb of the mountain for the following year, both to retrieve the damaged equipment and implace a new monitoring system -- this one powered by a non-nuclear generator. The climbing team, led by Bishop, was gathered together again and this time it reached the top of the mountain with comparatively little difficulty. The new device was set up, but after an extensive search, the atomic generator from the year

before was not found. Again after only a few weeks, the second sensor device (162) stopped working. This time the failure was attributed to a mechanical malfunction.

At this point, the Agency gave up on mountain-top monitoring of the Communist Chinese missile program, turning to other systems and new, improved satellites for acquiring the information it was seeking. The Indians were thanked and compensated for their cooperation. The American climbers were presented with secret medals by a grateful, but disappointed, CIA.

The fertile imaginations of the [redacted]S&T experts during the following years produced many more unique collrction schemes aimed at solving the mysteries of China's strategic missile program. Most eventually proved to be unworkable, and at least one entailed a frighteningly high-risk potential. The silliest of them all, however, called for the creation of a small one-man airplane that could theoretically be packaged in two large suitcases. In concept, an agent along with the suitcases would somehow be infiltrated into the denied area where, after performing his espionage mission, he would assemble the aircraft and fly to safety over the nearest friendly border. Even the chief of the Clandestine Services refused to have anything to do with this scheme, and the projectydied on the drawing boards.

A second system was a device, long and tubular like a rocket, that could (163) be dropped by a U-2 or another aircraft near the missile test site, its fall slowed by a parachute so that the device would penetrate only two or three feet into the ground on impact. Afterwards, the system, an aerial rising from its top, would activate itself and perform its electronic sensing tasks. Still later, the device would transmit its findings to a listening post, most likely a circling aircraft. The need for secret air penetration deep into a foreign and hostile power to deliver the monitoring device and additional similar flights to retrieve the data collected and stored by the machine raised serious questions as to the system's utility and worth. The [redacted]S&T

specialists, fascinated by the technical aspects of the project, seemed, however (164) oblivious of the dangers involved in secretly flying near a Chinese missile installation and dropping an object in an action that could quite easily appear to a startled radar operator as a lone bomber engaging in a surprise nuclear attack. Development of the costly system was, therefore, pushed ahead. The technicians were more concerned with the fact that the test drops of the device in the southwestern U.S. desert usually resulted in the system burying itself several feet below the ground surface or so jarring the delicate instrumentation that the device failed to self-activate and function properly.

A third system was a model airplane roughly the size of a large bird, (165) such as a condor, which was powered by a miniature nuclear engine and which could be launched from outside China and guided to the missile test site well over a thousand miles away, all the while soaring in patterns that would resemble on the air defense radar scopes the flight patterns of a large eagle. Once over the target, the plane's electronic sensors and tiny television cameras would be turned on to record activities below and relay the information either to its launch site or much more likely a hovering aircraft that had penetrated Chinese airspace for this purpose. Millions of dollars were expended by the CIA in research on this "baby U-2" that called for numerous breakthroughs in the state of the technical arts. Its chief advantage was to be, of course, that if and when it was shot down there would be no pilot to confess it had been on an Agency-sponsored spying mission.

The technical difficulties involved in the air-drop system and the model (166) airplane device were too great and time consuming for either to be fully (167) developed by their inventors before improvements in intelligence satellite surveillance programs were achieved, thus negating the justifying requirement for these questionable and potentially provocative collection systems before they could be put into operation. Other clandestine collection devices -- a few more sensibly contrived, most, however, of dubious value -- were also being

Agency had become involved in a chain of events which forced it to intervene militarily in a second country to protect its operation against Cuba. The President may have set the original policy, but there was no way he could have known that simply by approving an attack on Cuba, he would set in train Agency paramilitary activities against Guatamala.

CIA operations can have another unforseen effect on American foreign policy. They can subject the country to blackmail if something goes wrong. For instance, after the CIA pilot was shot down and captured by Indonesia in 1958, within five days the US government approved the sale for local currency of 37,000 tons of American rice and lifted an embargo on $1 million in small arms and other military equipment. Considering at that moment, the CIA was actively backing an armed revolution against the Sukarno regime these would have been strange actions indeed for the US government to take if it were not extremely concerned about saving the captured pilot.

A somewhat similar incident occurred in Singapore in 1960 after a CIA lie detector expert was flown specially into the city to make sure that a locally recruited agent was trustworthy. When the Agency technician plugged in his polygraph machine in a hotel room, he blew out all the fuses in the building.* The

*This was not the only time that the CIA blew major fuses overseas. During the mid-1960s, the Agency added to its numerous facilities on Taiwan by building a huge electronic [illegible] 295

lie detector man, a CIA case officer, and the local agent were soon all under arrest. The Singapore government and the British, who were in the process of granting Singapore its independence, were both quite disturbed bythe indident. Negotiations then ensued to secure the men's release. According to Singapore Prime Minister Lee Kuan Yew, the US government offered$3.3 million to get them out. Lee claimed that he wanted ten times as much and consequently took nothing. In any case, the two CIA officials were subsequently freed, the newly installed Secretary of State, Dean Rusk, wrote a secret letter of apology to the Singapore leader. In 1965, Lee mentioned the affair in a speech as an example of the type of activities engaged in by the CIA. The State Department then issued a routine denial furnished by the CIA--State's press office not realizing the truth of Lee's charges. Lee reacted by publicly producing Rusk's letter of apology, and State was forced to retract its original statement, although it still maintained that no ransom had ever been offered. As well as embarrassing the US government and making headlines around the world, the incident caused the State Department to revamp its internal system for making announcements about intelligence matters.

Blackmail was agin the theme in the mid-1960s when the (296)
President of Cyprus, Archbishop Makarios, quietly informed the

installation for surveillance of the Chinese mainland. When the device was turned on for the first time, it knocked out a large (297)
part of the island's power. In this case, the local government reacted in a much more friendly manner than did Singapore's.

US government that he might oust certain intelligence installations from his island. The CIA had a major interest in the matter, since it operated a Foreign Broadcast Information Service (FBIS) listening post there, and the Pentagon was also concerned about the possible loss of its large electronic surveillance facilities. The view in the intelligence community was that Makarios had to be mollified at practically all costs. Finally, government negotiators reached a secret deal with the wily old archbishop, and he received a special payment of about $10 million in return for letting the bases remain. The CIA put up half of the money, using the Director's Contingency Fund for this unforseen expense. (298)

In general, the presence of American intelligence facilities in a foreign country can have an important effect on American policy toward that country, especially in the Tgird World. Closely aligned countries, such as England, Germany, Japan, and Australia, have usually allowed the United States to set up electronic spying bases as part of the general framework of cooperation between allies. (299) But to the less developed countries, the presence of an American installation is both a threat and an opportunity. The threat comes from domestic opposition forces who look on the base as an example of "neo-colonialism" and use it as a weapon against those in power. The opportunity arises out of the fact that the United States will pay dearly for the right to install its eavesdropping equipment--and to keep it in place, as Archbishop Makarios discovered. (300)

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
Norbert A. Shepanek O/SA/DO/O 2D0109	1542 9564	DATE 14 June 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. Ralph J. Katrosh SA/DO/O		14 June		
2.				
3. Crocky Hogg LA/FOIA 3C34 Hqs.		16 June		
4.				
5. Norbert Shepanek O/SA/DO/O 2D0109				To 5: To the best of our knowledge, items 208 and 209 have not been made public.
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13-00000

SECRET

14 June 1977

MEMORANDUM FOR: See Distribution

FROM : Norbert A. Shepanek
O/SA/DO/O

SUBJECT : DDS&T Request for DDO Coordination on Certain Deletions in the Cult of Intelligence by Marchetti - Marks

1. In conjunction with the current review of the deletions in subject book for possible declassification, the DDS&T has indicated certain items which they believe should remain classified but has requested DDO coordination. Copies of the deletions pertinent to your component are attached (see page 3).

2. Please review the deletions using the same criteria applied during the review of deletions within the exclusive purview of the DDO. If you find that any of the items have been legally placed in the public domain, please provide the details.

3. The following items should be reviewed by the components indicated and response forwarded to the writer by 23 June 1977:

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159	181	EA Division and NE Div.
160	182	" " " "
161	183	" " " "
162	184	" " " "
163	184	" " " "
164	185	" " " "
205	234	NE Division
208	235	LA Division
209	236	LA Division
295	424	EA Division
297	425	EA Division and EUR Div.
299	426	EA Division and EUR Div.
301	427	AF Division
190	214	SE Division (Office of Security may be appropriate action office for this item)

E2 IMPDET CL BY 018630

SECRET

4. Where more than one Division is involved, a single coordinated reply may be provided. If there are any questions, please contact the writer on x1542.

(signed) Norbert A. Shepanek

N. A. Shepanek

Attachments
As Noted Above

O/SA/DO/O:NAShepanek:kaw (1542)

Distribution
Original - C/EA/CA
1 - E/FP/FC
1 - NE/COPS
1 - C/AF/Plans
1 - C/SE/OSG
1 - LA/FOIA
2 - SA/DO/O

situation in private with his superiors. But Bob and his cohorts at FI/D were one step ahead of Ambassador Meyer. They had figured out a way to intercept his cables and the replies he received from Washington. So shortly after each State message was sent, Bob would appear in the CIA executive suite with a copy of the message for the personal inspection of the Director. Written on top of each intercepted cable was a warning that the contents of the cable should be kept especially confident because State was unaware that the CIA had a copy.

Despite Agency knowledge of all of Meyer's instructions and information, Meyer and State's director of Iranian Affairs in Washington refused to yield to Agency pressure for a quick settlement. Even after these two men met at CIA headquarters with the Deputy Director of CIA, Vice Admiral Rufus Taylor, they still insisted that the Agency's plans for the new installation were unacceptable to the U.S. government as a whole. CIA Director Helms was so aggravated by this continued resistance that he personally telephoned Secretary of State Rusk to settle the matter. Rusk promptly ended the dispute by agreeing completely to the CIA position.

Bob was also involved in another series of events which started when FI/D worked out a liaison arrangement with the codebreaking service of a certain South American government. This arrangement was ostensibly for the purpose of allowing the CIA and the other country to cooperate in decoding messages sent by third countries. However, FI/D tood advantage of the liaison to intercppt the secret communications of the host South American government. Such arrangements were normal procedure to Bob. The intensely dedicated law and order advocate saw nothing wrong in practicing this sort of duplicity on an allied government which cooperated in good faith. (208) OUT

FI/D's liaison with the South American country continued for a long period of time until relations between the United States and that nation soured over unrelated issues, and as a result FI/D was forced to break off the relationship. However, FI/D did not give up hope that the previous working arrangements could be restored.

[Sometime later, Bbb suggested to an officer in the CIA's executive suite that the Agency should help the South American country obtain a channel in the international satellite communications network, Comsat. Always the secretive operator, Bob did not explain why the Agency should do this, and the other CIA man replied that CIA, afterall, was not the American foreign aid program; and wether or not this particular country received a Comsat channel did not seem to be a matter concerning CIA. Only later did the executive suite officer learn from other sources that FI/D had worked out a deal with the South American country in which liaison would be restored in return for a Comsat channel(which CIA would intercept). But Bob could not bring himself to share his scheme even with a fellow Agency employee in the Director's office.

Eventually, the South American country received the Comsat channel; the country restored liaison with FI/D; and CIA again had access to all of that country's secret messages.]

Bob's job with FI/D is by no means one of the dirtiest jobs in the Clandestine Services. There are operators in the paramilitary fields who probably conceive and carry out more distasteful machinations. But Bob is in a position where, on a regular basis, he misrepresents himself and even lies within the U.S. government -- not to mention the deceit he and his colleagues perpetrate on friendly foreign governments which in good faith enter into liaison agreements with FI/D.

Bob X is one of these ordinary looking people who mow their lawn, love their wives, and do some very nasty things for the CIA.

~~Tow~~ Two other devoted family men who lived in suburban Washington homes similar to Bob X's are named James McCord and E. Howard Hunt. Both had long, relatively successful careers with the CIA and rose to roughly the same upper-middle level of the bureaucracy as Bob X has. McCord was a CIA security officer, specializing in protecting the Agency's physical facilities. Hunt was an operator who played a leading role in the Bay of Pigs and who took part

13-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM: E/FP/FC 4 B 4406	EXTENSION 1872	NO. Jun 23 9 59 AM '77
		DATE 23 June 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. O/SA/DO/O Mr. Shepanek				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

23 June 1977

MEMORANDUM FOR: O/SA/DO/O

FROM : William W. Phelps
EUR/FP/FC

SUBJECT : Coordination of Deletions in Marks-Marchetti Book

REFERENCE : SA/DO/O Memorandum of 14 June 1977

European Division concurs that the two items involving EUR (Item 297, page 425 and Item 299, page 426) should remain classified.

William W Phelps
William W. Phelps

E 2 IMPDET
CL BY 003283

23 June 1977

MEMORANDUM FOR: O/SA/DO/O

FROM : William W. Phelps
EUR/FP/FC

SUBJECT : Coordination of Deletions in Marks-Marchetti Book

REFERENCE : SA/DO/O Memorandum of 14 June 1977

European Division concurs that the two items involving EUR (Item 297, page 425 and Item 299, page 426) should remain classified.

William W. Phelps

E 2 IMPDET
CL BY 003283

13-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
NE/COPS	9165	DATE 23 June 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. O/SA/DO/O Attn: Mr. Shepanek TUBE: DX-6				
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

13-00000

SECRET

JUN 23 1 12 PM '77

23 June 1977

MEMORANDUM FOR: O/SA/DO/O

ATTENTION : Mr. Norbert A. Shepanek

FROM : Joyce R. Herrmann
Chief of Operations, NE Division

SUBJECT : DDS&T Request for DDO Coordination on Certain Deletions in the Cult of Intelligence by Marchetti - Marks

NE Division has researched the seven DDS&T items cited in reference and to our knowledge none of the items cited have been legally placed in the public domain. Therefore, the items remain classified under Executive Order 11652 as listed below:

Item	Manuscript Page	Exemption
159	181	5B (2) (3)
160	182	5B (2) (3)
161	183	5B (2) (3)
162	184	5B (2) (3)
163	184	5B (2) (3)
164	185	5B (2) (3)
205	234	5B (2) (3)

Joyce R. Herrmann

Joyce R. Herrmann

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

SECRET

E2 IMPDET
CL BY 054979

13-00000

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FROM:	EXTENSION	NO.
AC/SE 5B4803	9045	JUN 24 10 26 AM '77 DATE 23 June 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. O/SA/DO/O 2D0109		24 rq	✓	
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

13-00000

SECRET

23 JUN 1977

MEMORANDUM FOR: Special Assistant to the DDO for External Oversight

ATTENTION : Norbert A. Shepanek

FROM : Katharine C. Hart
Acting Chief, Soviet/East European Division

SUBJECT : Deletions in the The Cult of Intelligence by Marchetti - Marks

REFERENCE : Your Memorandum, Subject: DDS&T Request for DDO Coordination on Certain Deletions in the Cult of Intelligence by Marchetti - Marks, dated 14 June 1977

1. We have reviewed the item relating to SE Division interests referred to the DDO for coordination by the DDS&T. This concerns an item from the Marchetti and Marks book, The Cult of Intelligence. Checking against official disclosures we have determined the item is still properly classified under Executive Order 11652.

2. Item No. 190, manuscript page 214, relating to Soviet capabilities to make intelligible the sounds picked up by audio devices discovered in the code room of the American Embassy in Moscow, remains classified SECRET. This item relates to cryptography and is exempt from the General Declassification Schedule of Executive Order 11652, exemption category 5B(2).

Katharine C. Hart
Katharine C. Hart

SECRET

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SECRET

23 JUN 1977

MEMORANDUM FOR: Special Assistant to the DDO for External Oversight

ATTENTION : Norbert A. Shepanek

FROM : Katharine C. Hart
Acting Chief, Soviet/East European Division

SUBJECT : Deletions in the The Cult of Intelligence by Marchetti - Marks

REFERENCE : Your Memorandum, Subject: DDS&T Request for DDO Coordination on Certain Deletions in the Cult of Intelligence by Marchetti - Marks, dated 14 June 1977

1. We have reviewed the item relating to SE Division interests referred to the DDO for coordination by the DDS&T. This concerns an item from the Marchetti and Marks book, The Cult of Intelligence. Checking against official disclosures we have determined the item is still properly classified under Executive Order 11652.

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SECRET

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☐ UNCLASSIFIED ☐ INTERNAL USE ONLY ☐ CONFIDENTIAL ☐ SECRET

ROUTING AND RECORD SHEET

SUBJECT: (Optional) DDS&T Request for DDO Coordination on Certain Deletions in the Cult of Intelligence by Marchetti-Marks

Jun 6 5 35 PM '77

FROM: Chief, Africa Plans

EXTENSION: 1326

NO.

DATE: 6 JUL 1977

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. O/SA/DO/O Attn: Mr. Shepanek				File -
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FORM 3-62 610 USE PREVIOUS EDITIONS ☐ SECRET ☐ CONFIDENTIAL ☐ INTERNAL USE ONLY ☐ UNCLASSIFIED

SECRET

6 JUL 1977

MEMORANDUM FOR: O/SA/DO/O
Attn: Mr. Shepanek

FROM : Edward J. Foy, Jr.
Chief, Africa Plans

SUBJECT : DDS&T Request for DDO Coordination on Certain Deletions in the Cult of Intelligence by Marchetti-Marks

We concur in the DDS&T's conclusion that Item 301, page 247 remain classified.

Edward J. Foy, Jr.

E2 IMPDET
CL BY 009904

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

SECRET

6 JUL 1977

MEMORANDUM FOR: O/SA/DO/O
Attn: Mr. Shepanek

FROM : Edward J. Foy, Jr.
Chief, Africa Plans

SUBJECT : DDS&T Request for DDO Coordination on Certain Deletions in the _Cult of Intelligence_ by Marchetti-Marks

We concur in the DDS&T's conclusion that Item 301, page 247 remain classified.

/s/ EDWARD J. FOY, JR.

Edward J. Foy, Jr.

E2 IMPDET
CL BY 009904

WARNING NOTICE
SENSITIVE INTELLIGENCE SOURCES
AND METHODS INVOLVED

Page 1 Top

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Transcript of the President's News Con

Following is a transcript of President Carter's news conference in Washington yesterday afternoon, as recorded by The New York Times through the facilities of ABC News:



President Carter walking past reporters after news conference at the E

Opening Statement

Good afternoon everybody. I'd like to make a very brief statement as a progress report to the American people of some items that are important to us.

We have submitted and the Congress is now considering legislation to give me the authority to reorganize the executive branch of Government. The Senate Committee under Senator Ribicoff has now completed their hearings and they'll be marking up the bill beginning tomorrow.

The House Committee on Government Operations under Congressman Jack Brooks has scheduled hearings to begin on March 1.

So because of the interest of the American people and the Congress and myself in completing this very crucial project I think the Congress is moving with great expedition to give me that authority.

We've also initiated with directions to the members of the Cabinet and other agency heads a new program to cut down on the extremely great overload of paper work with a requirement that those who prepare Government regulations be responsible for the preparation assigned them. I've asked my Cabinet officers to read the regulations that are forthcoming from their departments each week until they see the volume and the complexity of them, and we hope to eliminate unnecessary regulations, abbreviate those that are necessary and express them in a language so that we can all understand them.

I've also asked major elements of our own society, the university professors and the state officials in this last week to give me their suggestions on how the regulations might be improved.

We have done the same thing with reports required by the Federal Government. I hope to reduce drastically the number of reports and the frequency of those reports and the complexity of them.

We will complete the proposed legislation on creating a new Department of Energy this week. The proposed legislation is now on my desk. It will be submitted to the Congress for action the first of next week. And we've consulted very closely with the key leaders in the Congress and I believe there's going to be a rapid creation of this new department and a heavy emphasis on the importance of energy questions to our people.

We will also present to the American people probably at a joint session of the Congress a speech by me about April 20, a comprehensive energy policy which would involve all the complexities of the energy question. It's something that's long overdue and it's going to be quite profound in its impact on the American consciousness and our society, and I hope it will be compre-

I'm not going to leave of not commenting directly on any specific C.I.A. activity. But I can tell you that I have begun a complete analysis which will be completed within the next week of all activities by the C.I.A. I've received substantial reports already.

I've reviewed the more controversial revelations that have been publicized in the last few days, some quite erroneous, some with some degree of accuracy. These same operations have been reviewed by the Intelligence Oversight Board, an independent board, and also by my predecessory, President Ford. I have not found anything illegal or improper.

If in future assessments, which will come quite early, I discover such an impropriety or an illegality I will not only take immediate action to correct it but also will let the American people know about it.

I might say this. This is a very serious problem of how in a democracy to have adequate intelligence gathered, assessed and used to guarantee the security of our country. It's not part of the American nature to do things in secret. Obviously, historically and still at this modern time there is a necessity to protect sources of information from other nations. Sometimes other Governments cooperate with us fully; sometimes they don't.

But I'll try to be sure, and so will Stan Turner, who will be the next director of the intelligence community. He will try to be sure that every thing we do is not only proper and legal, but also compatible with the attitudes of the American people.

One other point I'd like to make is this. It can be extremely damaging to our relationship with other nations, to the potential security of our country

with labor and management. Bu whether I'll be successful, I don't know I'm just going to have to do my best

6. Human Rights Abroad

Q. In your letter to Mr. Sakharov you said that the United States would use its good offices to seek the release of prisoners of conscience. And you said that you wanted to continue to shape a world responsible to human aspirations. As you know there are human rights problems in many other countries. And some of them like Iran or the Philippines we support with arms, or we support with American aid. These are countries where many people believe we have more leverage than we might have in the Soviet Union. What if anything do you plan to try to do to help victims of political repression in these countries?

A. I think without my trying to take credit for it there has been a substantial move toward concern about human rights throughout the world. I think this has taken place in probably a dozen or more different countries. There's an arousing interest in the position that our own Government here in our free country does take. Obviously there are deprivations of human rights even more brutal than the ones on which we've commented up to now.

In Uganda the actions there have disgusted the entire civilized world and, as you know, we have no diplomatic relationships with Uganda. But here is an instance where both Ambassador Andrew Young and I have expressed great concern about what is there. The British are now considering asking the United Nations to go into Uganda to assess the horrible murders that apparently are taking place in that country—

PAGE 2 MIDDLE LEFT SIDE

in the Congress and I believe there's going to be a rapid creation of this new department and a heavy emphasis on the importance of energy questions to our people.

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We are quite concerned about the pressures of inflation. The advisers to me on economics are trying to assess all Government programs and private actions that contribute to inflationary pressures. When this analysis is done I will use every means that I have available to me to express these concerns and possibly corrective actions to the American people as well.

And the last point is that we will have a complete analysis underway now on deregulation. And the first question is the deregulation of the air lines. Legislation is in the Congress now. We'll ~~be~~ submitting a message to Congress very shortly on that subject. We will not submit administration legislation because the Congress has already moved substantially forward in dealing with this important issue.

And now I'd like to answer questions. Mr. Frank Cormier.

Questions and Answers

1. Defense Budget

Q. Mr. President, you told the Democratic Platform Committee that you thought present defense expenditures could be reduced by five to seven billion dollars. Now I think you may have modified your position somewhat since then. Obviously in your short time in office you didn't find the opportunity to make cuts like that in your predecessor's budget. But isn't it also likely that next year's budget for the defense will exceed this year's.

A. Well because of inflationary pressures and because of an impossibility of assessing the potential threat to our country from other nations, it's hard to predict exactly what the level of defense spending will be. In the short time that we had available to work on the previous Administration's budget—about three weeks of hard work—we were able to reduce the suggested expenditures by almost $3 billion. I think about $2.75 billion.

This was done—and I think Senator Stennis in his recent public statements has confirmed that it has been done without weakening our own defense capability. And the substantial savings in defense spending that will still leave us muscle will be in such things as the standardization of weapons, long-range planning, a more businesslike allocation of defense contracting, an assessment of the defense contracts for construction or repair already outstanding.

A reassessment of priorities of the evolution of new weapons which in the future can become enormously expensive; a longer assignment of military personnel to a base before they are transferred; some emphasis on the correction of inequities and unfairnesses in the retirement system.

These things obviously can't be done in three weeks, but they will be an ongoing effort on my part. And I think the 1979 budget, which will be my Administration's first budget, will sh-

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But I'll try to be sure, and so will Stan. Turner, who will be the next director of the intelligence community. He will try to be sure that every thing we do is not only proper and legal, but also compatible with the attitudes of the American people.

One other point I'd like to make is this. It can be extremely damaging to our relationship with other nations, to the potential security of our country even in peacetime, for these kinds of operations which are legitimate and proper to be revealed. It makes it hard for us to lay a groundwork on which we might predicate a successful meeting of a threat to us in time of war if we don't have some degree of secrecy.

I'm quite concerned about the number of people now who have access to this kind of information. And I've been working very closely with the Congressional leaders, yesterday and today, to try to reduce the overall number of people who have access to the sources of information that within the ~~bounds that I've described—propriety~~ and legality and American attitudes toward secrecy—I'll do the best I can not ever to make a mistake. And I'm also assuming on a continuing basis a direct personal reponsibility for the operation of all the ingelligence agencies in our Government to make sure that they are meeting these standards.

3. Correcting Errors on C.I.A.

Q. If there has been erroneous information, wouldn't it behoove you to correct the record?

A. In some ways we are correcting the record, but if I began to either dispute or confirm every individual story that's written whether correct or erroneous on every matter relating to the C.I.A., then these matters which are necessarily secret would no longer be secret, so I'm not going to comment on individual items that relate to intelligence.

4. Difference With Meany

Q. Mr. President, George Meany says he won't go along with your idea for pre-notification on wage and price increases. And my question really is, how hard are you going to press Mr. Meany to go along and do you have anything else in mind that you could use in the way of Government involving itself to try to control inflation?

A. I announced earlier my firm commitment not to have mandatory wage and price laws or authority, not to have standby wage and price authority. I've not made any proposal to Mr. Meany or any other labor leader nor to any representative of industry or manufacturing. But I will retain the option in the future of assessing what we need to do to control inflation.

I've emphasized always the word "voluntary." And to the extent that I can arrive at a common understanding with industry and labor leaders that a certain amount of cooperation and information can be exchanged before a major proposal is made. I think that's a legitimate pursuit of mine. I can't force it. It's got to be voluntary. And that's as far as I can go with my answer.

5. Wage-Price Guidelines

Q. You mean just directly about wage

there are deprivations of human rights even more brutal than the ones on which we've commented up to now.

In Uganda the actions there have disgusted the entire civilized world and, as you know, we have no diplomatic relationships with Uganda. But here is an instance where both Ambassador Andrew Young and I have expressed great concern about what is there. The British are now considering asking the United Nations to go into Uganda to assess the horrible murders that apparently are taking place in that country—the persecution of those who have aroused the ire of Mr. Amin.

I've expressed my concern about imprisoned political prisoners in South Korea, in Cuba, in many countries—in several countries, rather,—in South America and I'll continue to do so. I have never had an inclination to single out the Soviet Union as the only place where human rights are being abridged.

We have, I think, a responsibility and a legal right to express our disapproval of violations of human rights. The Helsinki Agreement, so-called Basket Three Provision, insures that some of these human rights shall be preserved. We are a signatory of the Helsinki agreement. We are ourselves culpable in some ways for not giving people adequate rights to move around our country or restricting unnecessarily, in my opinion, visitation to this country by those who disagree with us politically.

So I think that we all ought to take a position in our own country and among our friends and allies, among our potential adversaries, that human rights is something on which we should bear a major responsibility for leadership. And I have made it clear to the Soviet Union and to others in the Eastern European community that I'm not trying to launch a unilateral criticism of them, that I'm trying to set a standard in our own country and make my concerns expressed throughout the world, not singled out against any particular country.

Q. Mr. President, the other day, getting back to this C.I.A. thing, when that story broke your Press Secretary, when he issued what amounted to a "no comment" by the White House, someone asked him if this story had broken back during the campaign when you were running for President, would you have given a similar response? And he said "well I don't know." So can I ask you, what would have been your response? Would it have been the same? A. I don't know.

7. Review of C.I.A. Activities

Q. Mr. President, on that same subject, you said earlier that your review of C.I.A. activities had found nothing illegal or improper and you later said that these activities are legitimate and proper. Isn't that a value judgment that the American public might like to share? But how can they if you refuse to give them any idea of what you have discovered during this review about payments, including ones made in secret?

A. That is a value judgment. It's made by the independent Intelligence Oversight Board, which was established and appointed by President Ford. This board has made itself available to the Inspector General and to any employee within the C.I.A. or within the defense intelligence agencies or any other to receive even rumors of impropriety.

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These things obviously can't be done in three weeks, but they will be an ongoing effort on my part. And I think the 1979 budget, which will be my Administration's first budget, will show these improvements to a substantial degree.

Q. Will next year's defense budget actually be lower then than the one that you just revised. A. I can't say yet.

2. C.I.A. Accountability

Q. Do you think it was proper for the C.I.A. to pay off King Hussein and other foreign leaders? And what steps are you taking to make yourself more knowledgeable and more accountable for what the C.I.A. does?

A. Well, I've adopted a policy which for us to lay a groundwork on which we might predicate a successful meeting of a threat to us in time of war if we don't have some degree of secrecy.

I'm quite concerned about the number of people now who have access to this kind of information. And I've been working very closely with the Congressional leaders, yesterday and today, to try to reduce the overall number of people who have access to the sources of information that within the bounds that I've described—propriety and legality and American attitudes toward secrecy—I'll do the best I can not ever to make a mistake. And I'm also assuming on a continuing basis a direct personal reponsibility for the operation of all the ingelligence agencies in our Government to make sure that they are meeting these standards.

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5. Wage-Price Guidelines

Q. You mean just directly about wage and price "guidelines" which might be voluntary. How is that for an idea?

A. Well I think rigid guidelines are a mistake. If we said, for instance, that no price increase or no wage increase could exceed 6 percent this would be too restrictive. It would be contrary to my own philosophy of Government and I think that because of the diversity of our society and the fact that it is a free enterprise system, you've got to have some flexibility.

But I'd prefer to deal with these problems that arise on increasing prices on an individual bases and I also prefer, of course, to work harmoniously

imprisoned political prisoners in South Korea, in Cuba, in many countries—in several countries, rather,—in South America and I'll continue to do so. I have never had an inclination to single out the Soviet Union as the only place where human rights are being abridged.

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I have read that correspondence. It's quite voluminous and I think that it's accurate to say that Senator Inouye's committee in the Senate and the appropriate committees in the House have also received this information in the past.

I have talked to Senator Inouye and he confirms what I've just told you. And I think he would also confirm that

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ference on Foreign and Domestic Matters



The New York Times/Teresa Zabala

cutive Office Buiding in Washington

the impropriety or the illegality does not exist on any ongoing C.I.A. operation.

8. Problems With Congress

Q. Mr. President, Charles Kirbo, your friend Charles Kirbo seems to feel that you're going to be having a continuing problem with the Congress and that you'll have to go over Congress's head to the people in order to get results. Is this true?

A. I think if you read the whole statement that Mr. Kirbo made, which is just a private citizen's opinion, he would say that every President has had arguments and debates and disagreements with the Congress. And I think that's inevitable in our system of Government. That's part of the checks and balances that's very precious to us all.

I have found up to now a growing sense of cooperation with the Congress. I think last week when I was asked roughly the same question that the troubles were perhaps underestimated by the news media. I think now perhaps the troubles with the Congress are overestimated. I have frequent meetings with the Congressional leaders both Democratic and Republican. And I think that the progress of the legislation that we consider to be crucial which seemed to be moving very slowly in the past is now speeding up.

So I don't believe that we'll have nearly the problems with the Congress that has been the case in recent years. And I have to say in summary that I am very pleased with my relationship with the Congress now.

9. The Election Process

Q. Mr. President, in view of your assignment to Vice President Mondale regarding the election laws, could you give us your view, sir, on the direct

But I will work with Congress on the deregulation of natural gas as a part of an overall energy policy. By April 20 I think we'll be prepared to present to you, the news media, and the people and the Congress more specific proposals involving direct legislation proposals that will answer your question more fully.

13. Energy Program Sacrifices

Q. Mr. President, we've been told that the central thrust of your new energy program will involve sacrifice and voluntary conservation, yet the public's always reading stories in the paper of how the major oil companies are withholding natural gas. So I'd like to ask how are you going to expect the public to make sacrifices when there's such widespread public suspicion about the role of the oil companies in the energy crisis.

A. I think the comprehensive nature of the proposal that takes in all these very disparate and sometimes conflicting elements at one time and a long-range projection of our needs and a tangible demonstration to the American people, to the extent that I'm able to put it forward, that there will be direct ultimate benefits to them will be the elements that will cause them to make those sacrifices. At the same time, I want to increase the surety that we have that the reserve supply data given to us by the oil companies and others are accurate.

We are now conducting some admittedly superficial studies by Secretacy Cecil Andrus in Interior and also they'll be followed up by more detailed studies under Dr. Schlesinger, to see whether or not the reserve supplies are adequate and whether or not the oil companies are giving us accurate data. I think it's obvious to all of us that there are some instances where natural gas is withheld from the market. That's understandable. If I was running an oil company I would reserve the right to release or to reserve some supplies of natural gas.

With the emergency legislation that the Congress did pass, I think in about a week of assessment during the frigid part of the winter—it's still very cold—we were given some authority to buy extra gas at a very high price. This is obviously a transcient circumstance.

But I believe the American people will be willing to make the sacrifices required, if they are convinced that future reports will be accurate, that supplies will not be withheld from the market and if we can let the oil companies know in a predictable way what our policy will be two months or two years or 20 years in the future—within the bounds of human reason—then I think they'll be much less likely to withhold supplies of oil and natural gas from the market just hoping that they'll get some bonanza increased price in the future if the policies do change.

14. Rise in Gasoline Tax

Q. Another question, sir, on the sacrifices that you say your upcoming energy program is going to demand. Is it likely that one of those sacrifices is going to come in the form of a largely increased Federal gasoline tax?

A. I don't know how to answer your

was a waste. You also promised to cut the waste out of the defense budget. When would you expect to stop production of the B-1 as opposed to research and development on the B-1?

A. I think I cut out about more than $200 million from the B-1 program in the budget just submitted to the Congress. I have serious questions about whether or not the B-1 ought to be in the future the center of our airborne defense capability.

I have several more months before I have to make a decision on that matter and the National Security Council, which combines, as you know, State, Treasury, Defense and other elements of the Government, working very closely with me, is now making a complete reassessment of the need for the B-1 bomber.

I don't know whether we will decide to go on with it or not. And I don't know whether we'll expedite production of it or not, at this time.

Part of the factor to be assessed is the attitude of the Soviet Union. If we can have a general lessening of tension, a demonstrated commitment on their part toward disarmament, it would certainly make it less likely that we would go ahead with the B-1.

But I can't answer that question until I complete my own study, and I think that would have to be terminated by the end of May.

18. Campaign Financing Law

Q. Mr. President, I was a little unclear about what you're going to propose in the campaign finance law. Are you saying that you will propose to have all Congressional elections publicly financed? A. That's my preference, yes. Q. Is that what you will propose to Congress? A. The Vice President is now doing a study on a complete election law package. And I'd like to reserve my own judgment until I see what his report is to me. But that's my own inclination. It's a position that I took during the campaign and so far I have no reason to change my mind.

19. Foreign Policy Turntable

Q. You gave us a kind of a timetable for your domestic program in your preliminary statement. I wonder if you have a similar timetable of what you hope to achieve in foreign policy between now and the end of the year, such as Middle East peace, Cyprus, the treaty with Panama.

A. Of course I can't answer that question specifically because I don't know what cooperation we will get from other nations and I don't know what the inclination of those nations in disputed regions of the world want to do toward one another.

Secretary Cyrus Vance has just returned from what I consider to be a very successful trip to the Middle East. He not only probed with the heads of those Governments and their Cabinet members their own positions, both public and private on the controversial issues that have so far prevented a peace in the Middle East. He also had a chance to compare their positions on issues—which ones they found to be in harmony, which ones there was

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PAGE 2 MIDDLE

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9. The Election Process

Q. Mr. President, in view of your assignment to Vice President Mondale regarding the election laws, could you give us your view, sir, on the direct election of a President versus the Electoral College. And also do you think that the public financing should be extended to Congress as well as the Presidency?

A. There are three basic questions that come up. In the first place, I do favor at least an automatic vote by Presidential electors once the general election is completed. I think the Electoral Colllege, for instance, should be eliminated. Whether the ratio among states of votes ought to be changed I'm not prepared to comment on now.

[illegible] the financing of Congressional elections by public funds—it has proved to be successful, I believe, in the Presidential election. I strongly favor that, yes. And the other element of the overall package would be a simple way for American people who are citizens and 18 years old to register to vote. And I am committed to that proposition and the Vice President has graciously consented to take on this overall election process responsibility. Those three will be basic elements of the proposals.

10. Relations With Cuba

Q. Mr. President, are you prepared to lift the trade embargo against Cuba as one step toward normalizing relations?

A. I think any substantial move in our relationship with Cuba would have to await further discussions with them indirectly, and also some tangible evidence on our part that they are willing to restore basic human rights in Cuba, involving the number of prisoners who are being held, their attitude toward overseas adventures such as the one in Angola, and other matters. So I can't say what might come in the future.

I'm willing, though, to discuss these matters with the Cuban leaders. At this time we have no direct relationships with them, political. But through intermediaries comments are being exchanged back and forth. Most of my comments are in public statements like this, but we do have messages coming back from people who visit Cuba.

11. Defense Savings Goal

Q. In answer to an earlier question, Mr. President, you said that you couldn't say whether next year's defense budget will be lower or higher than this year's. But as I understood your earlier postion, you did want to achieve a five to seven billion dollar savings regardless of the overall level of spending. Do you still hold with that figure? Is that still your goal and a commitment?

A. Yes. The analyses that I've made of the defense budget so far—which as you know has been limited to about a month's study just part-time—indicate that that's a goal that will be reached.

12. Natural Gas Deregulation

Q. Mr. President, in letters to the governors of Oklahoma, Texas and Louisiana last October, you said unconditionally that you would work with Congress to deregulate new natural gas. And I wondered if you planned to keep that promise, and if so how you will go about it?

future if the policies do change.

14. Rise in Gasoline Tax

Q. Another question, sir, on the sacrifices that you say your upcoming energy program is going to demand. Is it likely that one of those sacrifices is going to come in the form of a largely increased Federal gasoline tax?

A. I don't know how to answer your questions about specifics of the proposal. I want to make this clear. The purpose of the energy policy evolution is not to cause sacrifice or hardship among the American people. Unless I can demonstrate that in balance the temporary sacrifices in a certain area are far overcome by immediate and ultimate benefits then nobody's going to buy it.

And I believe that we've now got such a horrible conglomeration of confusion in the energy field that nobody knows what's going to happen next. So I think that the sacrifices will be far overcome by the benefits that the American people will be easily able to discern for themselves.

15. U.S. Role on Canada

Q. You said that in spite of the fact that the Canadian people would have to determine their future for themselves, particularly in regard to the separatism issue in Quebec that you had confidence that the issue would be straightened out relatively peacefully. Do you really think that there is little concern in this country about the future of a unified Canada and is there anything really that we can do about it?

A. There's a great deal of concern in this country about the future of Canada and I have complete confidence, as I said in an interview with the Canadian news media in the sound judgment of the Canadian people.

I'm familiar—and even more familiar today than I was two days ago after Prime Minister Trudeau's visit—with the problems in Quebec and the inclination of some of the French Canadians to have an independent status from the rest of Canadian Provinces.

I don't know what's going to be the ultimate outcome. But I believe that we are so closely tied together with Canada on a mutually beneficial basis, sharing problems, sharing opportunities, sharing trade, sharing manufacturing companies that have joint ownership, our exchange of energy sources, our sharing of the St. Lawrence Seaway, the Great Lakes as far as water pollution is concerned, the bringing of Alaskan oil and natural gas down to us that we have got to have a continuing relationship with Canada.

My own personal preference would be that the commonwealth stay as it is and that there not be a separate Quebec province. But that's a decision for the Canadians to make and I would certainly make no private or public move to try to determine the outcome of that great debate.

16. Keeping Campaign Promises

Q. Mr. President, you've had a month now to enjoy the view from the Oval Office. Do you think you'll be able to keep fully all the campaign promises you made?

A. As you know, we have issued what I believe is the complete book of my campaign promises, which is, I presume, being made available to all of you. My determination is to keep all those promises.

Obviously if circumstances should change I would have to reserve the [illegible]

very successful trip to the Middle East. He not only probed with the heads of those Governments and their Cabinet members their own positions, both public and private on the controversial issues that have so far prevented a peace in the Middle East. He also had a chance to compare their positions on issues—which ones they found to be in harmony, which ones there was still a dispute.

We also invited the leaders of all those nations to meet with me. They have all accepted and I will be meeting with the heads of the nations in dispute in the Middle East, all of them, before the end of May. The first visit of one of those leaders will be Mr. Rabin, I believe, March 12. And he will be followed by the leaders from Egypt, from Jordan and from Syria, from Saudia Arabia and I look forward to meeting with them.

At that point I hope I will have a very clear picture of what role the American Government ought to play.

The same thing applies to the situation that exists between ourselves and Turkey, ourselves and Greece, ourselves and Cyprus.

We can't impose our will on other people. But if they honestly want to seek a solution, we are perfectly willing to offer our good offices as a country with influence and interest to help them resolve their own differences. But it's got to be done primarily by those countries involved.

We have begun again, and within the last week, our discussions on the Panama Canal Treaty. We have two extremely good negotiators and I hope that we will have success there. There's no way that I can say at this point what degree of progress we have made. It's just beginning.

So throughout the areas of high dispute, including South Africa and others that I don't have time to mention we're probing as best we can to discern some possibility of resolution of those tension areas.

We are meeting today, in fact all this week with the British, to try to get a renewed proposal to make concerning the question surrounding Rhodesia. And then, of course, we'll still have left Nambia and ultimately majority rule question in South Africa.

But I've only been in office a month. I don't claim to know all the easy answers. And these questions that have are not going to be easy to solve. But we're going to do the best we can openly and forcefully offering our good services, not trying to impose our will on other people.

Q. Thank you, Mr. President.

Carter Errs on Rabin And U.S.-Uganda Ties

WASHINGTON, Feb. 23 (AP)—President Carter made two errors in his news conference today, which the White House staff later corrected.

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Obviously if circumstances should change I would have to reserve the right to go back to the American people and say "now that circumstances have changed this a better approach to that particular problem." But I will do my utmost to keep all the campaign promises that I made to the American people.

17. Production of B-1

Q. Mr. President, you said at various times during the campaign that the B-1

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The White House later corrected that to say "the proposed visit is tentatively planned for March 7 and 8."

The White House also corrected the President's statement that the United States does not have diplomatic relations with Uganda.

"This is not strictly accurate," the correction said, explaining:

"While the United States has withdrawn its mission from Uganda and has no direct diplomatic representation there, United States affairs in the Republic of Uganda are carried out through the West German embassy and the Republic of Uganda has an operating embassy and charge d'affaires in Washington."

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PAGE 3

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WASHINGTON POST

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Ballgame!
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w/ File Marchetti

CIA Admits Working to Raise Sub

By Timothy S. Robinson
Washington Post Staff Writer

The Central Intelligence Agency has finally acknowledged publicly that it was "involved" in the Glomar Explorer's attempts to raise a sunken Russian submarine from the Pacific Ocean floor.

The terse acknowledgement came in a court document filed in the U.S. Court of Appeals by the Justice Department two weeks ago. The document asked that a suit against the CIA by a private group concerning the Glomar's financing be sent back to a lower court for further hearings.

The filing marks an abrupt change from the previous position taken by the Justice Department in the 18-month-old case that the mere acknowledgement of the CIA's involvement in the project would be harmful to national security. Although the CIA's operation of the project has been reported in numerous publications, the agency has been adamant in its refusal to say publicly whether those reports were true.

The case brought by the nonprofit Military Audit Project, which monitors spending by the defense and intelligence establishments, has involved an unprecedented amount of secret court proceedings as the CIA attempted to prove the need for secrecy to U.S. District Court Judge Gerhard A. Gesell. The suit seeks the financial details of the Glomar project.

For example, Gesell was forced to issue a secret opinion in the case last October that even the attorneys involved still have not been able to read. The opinion was issued in that secret fashion upon direct orders of the U.S. Court of Appeals, which instructed Gesell to accept secret affidavits from high-level government officials concerning the case.

Public affidavits filed at the time by former President Ford's top national security adviser, Lt. Gen. Brent Scowcroft, said disclosures of the CIA involvement or other details about the project might prompt other nations offended by the project to retaliate against the United States.

Scowcroft said that retaliation might take the form of "strong measures" that might "endanger U.S military and diplomatic personnel and businessmen overseas."

The federal government had previously acknowledged only that the ship was part of a 1969 classified U.S. government project "to accomplish certain secret tasks in furtherance of national security objectives."